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A CHANGING EUROPE

THE MATURATION OF THE
EUROPEAN COMMUNITY AND HOW IT WILL AFFECT
THE TRANS-ATLANTIC LINK

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National Security Program Discussion Paper Series
90-04

91-07612



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c 1990

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Unclassified

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

REPORT DOCUMENTATION PAGE		READ INSTRUCTIONS BEFORE COMPLETING FORM
1. REPORT NUMBER	2. GOVT ACCESSION NO.	3. RECIPIENT'S CATALOG NUMBER
4. TITLE (and Subtitle) A Changing Europe The Maturation of the European Community and How It Will Affect the Trans-Atlantic Link		5. TYPE OF REPORT & PERIOD COVERED Group Study Project
7. AUTHOR(s) Lieutenant Colonel Albion A. Bergstrom, U.S. Army Commander Thomas G. Russell, U.S. Navy Colonel Treatifelom, S. Teele, U.S. Army		6. PERFORMING ORG. REPORT NUMBER
9. PERFORMING ORGANIZATION NAME AND ADDRESS U.S. Army War College Carlisle Barracks, PA 17013-5050		8. CONTRACT OR GRANT NUMBER(s)
11. CONTROLLING OFFICE NAME AND ADDRESS Same		10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS
14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)		12. REPORT DATE 90-04
		13. NUMBER OF PAGES 138
		15. SECURITY CLASS. (of this report) Unclassified
		15a. DECLASSIFICATION/DOWNGRADING SCHEDULE
16. DISTRIBUTION STATEMENT (of this Report) Approved for public release; distribution is unlimited.		
17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)		
18. SUPPLEMENTARY NOTES		
19. KEY WORDS (Continue on reverse side if necessary and identify by block number)		
20. ABSTRACT (Continue on reverse side if necessary and identify by block number) This paper scrutinizes the maturation of the European Community (EC), the potential impact of the EC's 1992 Single Market Plan, and how a maturing Europe will affect the trans-Atlantic link. There is no doubt that if the EC ever achieved political and economic unity, this unified entity would impact on the future role and relations of the U.S. in Europe and the future role NATO will play in this changed		

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EXECUTIVE SUMMARY

This paper scrutinizes the maturation of the European Community (EC), the potential impact of the EC's 1992 Single Market Plan, and how a maturing Europe will affect the trans-Atlantic link.

The European Community is striving to achieve economic and political unity, and to be treated as an equal partner by the US. The European Community still does not exist as a unified political structure, in spite of its potential economic clout and for all its initiatives and aspirations toward unity. This paper examines the divisive factors that the Community must overcome if it wants to be able to speak with a single European voice.

There is no doubt that if the EC ever achieved political and economic unity, this unified entity would impact on the future role and relations of the US in Europe and the future role NATO will play in this changed environment. In this light, the paper addresses the thesis that it is in the strategic interests of the United States to remain involved in European political, economic and security affairs. However given the rapid changes brought about by the Revolution of 1989, and the other changes that are anticipated to occur during the 1990s in Europe, the thesis also

considers how the United States must alter its way of dealing with the European Community if it wants to remain influential in European political, economic, and security affairs.

The US and the EC recognize the interdependence of the two economies, the potential power the 1992 Single Market Plan will give to Europe, and the impact that this will have on any future US-EC relationship. However, not all of the European Community member-nations want the US to participate in the Single Market Plan or become an actual or de-facto 13th member of the European Common Market. France in particular fears that it will lose its leadership position if the US is allowed to participate and compete openly in the Common Market. To prevent economic conflict and to protect American interests, the US has proposed that a formal consultative link be established between the US and the EC. The paper examines this proposal and what would happen if the proposal were not implemented, and provides a suggestion for implementation.

It is not only economics that tie the US and the EC together; they are also bound together by political and security arrangements. The West Europeans though, no longer see themselves as junior partners of "America, Inc." Since they perceive that the Soviet threat has diminished, they cannot rationalize continued US leadership in European political affairs, nor can they justify a continued military presence in Europe. This rationalization is leading the US and the Europeans to a re-evaluation of existing

ORGANIZATIONAL MEMBERSHIP

COUNTRY	CSCE	EC	NATO	WEU	WP	CFE
AUSTRIA	o					
BELGIUM	o	o	o	o		o
BULGARIA	o				o	o
CANADA	o		o			o
CZECHOSLOVAKIA	o				o	o
DENMARK	o	o	o			o
FINLAND	o					
FRANCE	o	o	o	o		o
FRG	o	o	o	o		o
GDR	o				o	o
GREECE	o	o	o			o
HUNGARY	o				o	o
ICELAND	o		o			o
IRELAND	o	o				
ITALY	o	o	o	o		o
LUXEMBOURG	o	o	o	o		o
NETHERLANDS	o	o	o	o		o
NORWAY	o		o			o
POLAND	o				o	o
PORTUGAL	o	o	o	o		o
ROMANIA	o				o	o
SPAIN	o	o	o	o		o
SWEDEN	o					
SWITZERLAND	o					
TURKEY	o		o	o		o
USSR	o				o	o
UNITED KINGDOM	o	o	o	o		o
USA	o		o			o
YUGOSLAVIA	o					
	(35)	(12)	(16)	(10)	(7)	(23)

NOTE 1: CYPRUS, HOLY SEE, LIECHTENSTEIN, MALTA, MONACO AND SAN MARINO ARE ALSO MEMBERS OF THE CSCE.

NOTE 2: CSCE: Conference on Security and Cooperation in Europe

EC: European Community

NATO: North Atlantic Treaty Organization

WEU: Western European Union

WP: Warsaw Pact

CFE: Conventional Forces in Europe Negotiations

Figure 1

political, economic, and security relations and alliances (figure 1), as part of an effort to create a new European security arrangement that will include the US and the USSR.

The Soviet threat may have diminished, but the single greatest problem facing the European Community is German unification and the potential influence that a united Germany could exert over European political, economic, and security affairs. The German unification problem has the EC in a quandary. To achieve the unity and peer status the EC desires forces it to challenge continued US leadership and to promote the idea of replacing NATO with a European institution. However, the EC recognizes that the US is the only nation and NATO is the only institution that are capable of providing a counterbalance to a German "Mitteleuropa". This paper studies this dichotomy and how it impacts on the trans-Atlantic link from both the European and American perspectives.

The proposals of Secretary of State Baker to rejuvenate NATO and give it new roles for the 1990s are also analyzed. The paper argues that NATO can still serve the needs of both the EC and the US, and its continued existence also represents America's best opportunity to remain an influential power in Europe. The argument set forth in this paper concludes that events will force NATO to shift from a defensive to a political orientation as the Soviet threat wanes.

The following, are the conclusions drawn from the analysis of the maturation of the European Community and the impact this maturation will have on the trans-Atlantic link:

- ° European political fragmentation will be the greatest single impediment to managing the changing political and security landscape of Europe. There will be a limited degree of political cooperation between European nations, but not to the extent envisioned by France. German unification coupled with the overwhelming need to protect national interests will thwart political unification efforts. Consequently, Europe will continue to look to the United States to maintain stability on the Continent.
- ° The European Community's 1992 Single Market Plan will succeed in degrees. The EC will not develop into a tightly knit, federated Europe led by a transnational organization, as hoped for, but will become a confederation of nations that have common macroeconomic policies.
- ° Political, economic, and security considerations will compel the EC to establish formal and productive links with the United States.
- ° The United States will retain its leadership role but will find leading by consensus instead of decree to be a much more effective technique.
- ° NATO will gradually change from a defensive to a political alliance, tasked to be actively engaged in disarmament negotiations and the execution of any disarmament agreements.

As an endnote, the authors of this paper have deliberately focused on the decade of the 1990s in their examination as to how a maturing European Community may affect the trans-Atlantic link.

It would be futile and presumptuous to attempt to look beyond that, since the rapidly changing political, economic, and security structure of Europe prevents any rational evaluation of events and the impact they would have on the trans-Atlantic link beyond the year 2000, let alone next week.

CHAPTER I.

THE REVOLUTION OF 1989

Since President Truman approved National Security Council Memorandum Number 68 (NSC 68) on 14 April 1950, the United States has pursued a foreign policy designed to contain Soviet global expansionism, and in particular Moscow's attempts to isolate the United States from its European allies. In support of the goal of Soviet containment, the United States also pursued policies designed to rebuild the war-torn European economies, to foster unity among the European nations, and, together with the West Europeans, to confront and deter Soviet designs on Western Europe through the North Atlantic Treaty Organization (NATO).

The United States is now confronted with a situation whereby its foreign policy is bearing fruit, while the political, economic, and security status quo that has existed is being challenged not only by Moscow, but also by the West Europeans.

Eastern Europe is changing rapidly. In August 1989, the first non-Communist government in postwar Poland, or in the East Bloc for that matter, was established. In October 1989, Soviet Prime Minister Mikhail Gorbachev renounced the "Brezhnev Doctrine." The Berlin Wall was breached on 9 November 1989, which served to renew the clamor regarding reunification of the two Germanies. In December 1989 a bloody revolution led to a change in government in

Romania. In late January 1990 it was announced that the East German Communist party would accept forming a coalition government, with other parties supporting change. These events, coupled with the perception of the reduction of the Soviet threat and the emergence of the European Community's 1992 Single Market Plan, have seriously challenged the status quo. A series of events have transpired that are changing not only the political, economic, and security structure of Europe, but also are bringing about radical changes in East-West relations. These events have forced a change in the accepted East-West bipolar relations where Washington and Moscow set the rules. We now live in what is shaping up to be a multi-polar world where the West Europeans express a strong desire for an equal voice in East-West dialogue on matters affecting the European continent.

This desire is also bringing about a re-evaluation of existing West-West relations and alliances. Faced with a radically changing European environment marked by a diminishing Soviet threat, the potential unification of the two Germanies, and the implementation of the European Community's Single Market plan in 1992, the West Europeans are facing what may loosely be termed an identity crisis. On one hand, the West Europeans recognize the need to be in the vanguard to address and manage the changes that are occurring. They want to manage the change through West European institutions such as the European Community (EC), giving them the opportunity to speak with a single European voice without having to bow to US influence. They are also questioning the future roles of

institutions such as NATO as well as the continued preeminent role of the US in European affairs. One final concern is the future prospect of German unification and the impact that Germany would have on the EC and Europe in general.

On the other hand, the West Europeans want the EC involved in managing the changes but do not want "Europeanism" (i.e. the EC) to overshadow national interests or replace the special bi-lateral relations that they enjoy with the US and each other. Nor do they want a unified Germany that would create a "Mitteleuropa". From the West European perspective, the best way to deal with the fluid European environment is to maintain an "a-la-carte" relationship with the US, where they can pick and choose the issues with which they want the US to become involved. This contradictory position and concern was best explained by a French official when he said that "we want and must manage our own political, economic, and security destiny without US intervention and eventually without NATO. We can no longer be considered as a child of America, but must be treated as adults. But do not take this as an invitation to leave; we need US presence in Europe not only to protect us from the Russians, but most importantly to protect us from each other."¹

The changes that are the product of the Revolution of 1989, along with the emergence of the European Community in 1992, raise a number of questions relating to the future nature of the security relationship between the United States and Europe. Can the

¹ Pascal Fieschi, Senior Director, Plans and Strategic Studies, National defense General Secretariat, Office of the Prime Minister, Republic of France, personal interview, 12 Jan. 1990.

European Community form a cohesiveness that will allow it to speak for all of its member-states as a single voice in security matters, or will it be a politically fragmented organization? Will the EC accept a formal link with the US, or will the EC be concerned that the US will try to become the de-facto 13th member of the Community? Can the status quo be maintained or should the European Community have an active role in future East-West security dialogue? If the EC does assume a greater role in managing its own security destiny, why should it allow the US to be an active participant in European political and security affairs? And if it does assume this role, what purpose is there in keeping NATO alive when European institutions could do the same mission?

On the other side of the coin, can the United States afford not to be an active player in European political and security affairs? How much longer can it maintain its preeminent leadership role in NATO? Since NATO is the forum that has provided the United States its platform for leadership within Europe, should this forum be maintained, and if so what should its new role be vis-a-vis the European Community and overall West-West relations? Are the proposals presented by Secretary of State Baker regarding NATO realistic, or do they symbolize the administration's efforts to keep NATO off the endangered species list?

THE ATLANTIC ALLIANCE

Of all the Alliance members, the US has gone the furthest in trying to picture its future role in Europe, and especially in trying to determine NATO's future. In his 12 December 1989 speech at the Berlin Press Club, Secretary of State Baker set forth a series of proposals that were intended to lay out a blueprint of how the Bush administration envisioned the future role of NATO.² The proposals for NATO are discussed in detail in chapter IV, but in summary, Baker proposed that NATO

- ° enhance its political role.
- ° establish an Arms Control Verification staff.
- ° intensify the consultation process for matters dealing with regional conflicts.
- ° should consider initiatives that the West might take, through the Conference on Security and Cooperation in Europe process in particular, to build economic and political ties with the East.
- ° demonstrate to the East a fundamentally different approach to security.

Over the last forty years, US and West European defense and security interests have been served by the North Atlantic Alliance. Now that the West is faced with a changing situation in Eastern Europe, critics on both sides of the Atlantic are beginning to question the validity of the present security arrangements and

² James A. Baker III, "A New Europe, a New Atlanticism: Architecture for a New Era," speech, the Berlin Press Club, 12 Dec. 1989.

whether NATO has not turned into a modern dinosaur destined for extinction. The Baker NATO proposals are an attempt to maintain and rejuvenate the alliance through which the US is perceived to exercise its influence in Europe. It is an alliance that according to the Bush administration is necessary for the maintenance of stability in Europe. The proposals make sense, but they will only bear fruit if the Europeans want to maintain and rejuvenate the Alliance.

From the US perspective, the Baker proposals regarding NATO represented a policy approach designed by the Bush administration to cope with the rapid and radical changes taking place in Europe. From the European perspective, they represented America's desire to remain an active participant in European political, economic, and security affairs.

THE EC AND EUROPEAN UNITY

Since its origins in the 1950s, the European Community has attempted to unify the diverse national economies of its member-states into one large pan-European economy.³ In 1985, the Commission of the European Communities (EC Commission) issued a white paper entitled Completing the Internal Market. This document provided a road map for the integration of the economies of the twelve member-states into one of the world's largest economic

³ Federal Republic of Germany, France, Italy, Netherlands, Belgium, Luxembourg, United Kingdom, Ireland, Denmark, Greece, Spain, and Portugal

blocs. The leaders of the EC member-states, through unanimous ratification of the Single European Act in 1987, provided the political authority necessary to start the process of economic integration and also established the date of 31 December 1992 as the target date for implementation.

The Single European Act (SEA) not only united the twelve member-states in pursuit of a common economic destiny, it also reaffirmed what Jean Monnet, one of the founding fathers of the European Community, said from the beginning: the European Community's ambition is above all political unity. This goal was clearly stated in the preamble of the Single European Act:

The European Communities and European political cooperation shall have as their objective to contribute together to making concrete progress towards European unity.⁴

Unlike economic integration, the Single European Act did not set a deadline for establishing political unity, but it did lay the groundwork for a politically unified Europe.

Realistically, no one expects to find a common European economic market in place and fully functional on the morning of 1 January, 1993. However, it is expected that implementation of the majority of the 279 measures identified in the white paper⁵ will be completed by 31 December 1992. Efforts will continue to harmonize the measures that are not implemented by the target date,

⁴ European Community, Single European Act (document no. 12), Cmd. 9758, preamble, 1986.

⁵ European Community Commission General News Letter, No 5084, 7 Sept. 1989.

with the plan for successful economic integration fully maturing near the turn of the century. If the Single Market plan succeeds, the main barriers to trade within the European Community will have been eliminated, thus forming a market of more than 320 million consumers accounting for 37% of the world's commerce, with a gross domestic product (GDP) of \$4.7 trillion.⁶

The European Community still does not exist as a unified political structure, in spite of its potential economic clout and for all its initiatives and aspirations toward unity. The EC does not have the unity or the strength to unilaterally negotiate with the Soviet Union, defend itself militarily, or manage the changes that are transpiring in Eastern Europe. But what about in the near future, after the Single Market Plan is implemented in 1992? If the West Europeans are able to attain the total unity that has eluded them for so long, will they be content to play second fiddle to the United States or will they be willing to accept the political, economic, and security costs that go along with regional power recognition?

Despite the European Community's desire to be the major player on the European political, economic, and security stage, it must still rely on the power and the protective defense umbrella provided by the United States. The US accepted this responsibility not for purely altruistic reasons, but for the simple reason that

⁶ Organization for Economic Cooperation and Development (OECD), 1988 provisional figures, unpublished, typescript.

US policy makers believed in the principle of forward defense, with the European continent being the best place from which to defend the United States.

US-EC Co-operation

The US and the EC have recognized the interdependence of the two economies, the potential power the 1992 Single Market Plan will give to Europe, and the impact that this will have on any future US-EC relationship. The US has also recognized that the EC is now trying to translate this economic power to political strength. Fears have been voiced in the US that this translation of power will be detrimental to US interests, since the EC may take both economic and political measures that could limit or even exclude the US from participating in the integrated market and in European political decisions that may affect the US

A CHANGING WORLD

Political, economic, and security issues have become interwoven to the point that they can no longer be treated as separate and distinct matters. The US, NATO, and the EC working together would form a formidable partnership in resolving problems that impact not only trans-Atlantic cooperation, but also matters that deal with regional problems and East-West relations.

The degree to which this cooperation could become possible would depend on several factors:

- ° how the Europeans view their chances of ever achieving total unity,
- ° how and under what terms German unity is accomplished,
- ° how the EC members view US participation within the new NATO,
- ° how the EC deals with neutral nations that are vying for EC membership,
- ° how this collaborative effort is seen by the Soviets.

There is no doubt that the changes occurring in both East and West Europe will force an alteration in the trans-Atlantic link. How that alteration will take place and what will be the final outcome depends almost exclusively on the level of cooperation that all the parties involved agree to and how each of the concerned parties view their own roles in the alteration process. The difficulty involved in attempting to forecast the outcome in such a fluid environment can be compared to trying to peer through a dense fog bank; at times you can see clearly, and at times the fog prevents you from seeing at all. The focus of this paper is to try to peer through the fog and to identify the issues that will affect the alteration process.

CHAPTER II

EUROPEAN INTEGRATION

- A SINGLE EUROPEAN VOICE -

The centuries old dream of European leaders has been to create a single European entity, uniting the politically ethnically, and culturally diverse nations and forming a union whose leadership spoke and acted on behalf of all Europeans. In spite of the devastation that this dream has wrought on the European continent, it was once again revived in a different form by the Treaty of Rome and the Single European Act. Both the Treaty of Rome and, most importantly, the Single European Act envisioned a unified Europe capable of dealing with political, economic, and security matters under a central leadership empowered to address and act on all these issues with a single European voice.

To achieve this the EC will have to define Europe's political and security identity in relation to the rest of the world -- an enormously difficult task given the diverse interests of its members, the fluid situation in Eastern Europe, and the uncertain future of the two Germanies. Since the EC is the only European organization that aspires to unity of the degree required to represent Europe as a whole, it must clearly define the principles on which its common external political and security policies are based, along with the structure required to implement them. Until

such time as the EC does articulate its political and security identity, any effort it makes to tinker with the established European order or with West-West relations will be of relatively trivial significance. The question that arises is: can the European Community, whose members have such diverse political, economic, and security interests, fulfill the dream of European unity, or is the European union destined to be nothing more than a community of merchants?

THE EUROPEAN COMMUNITY

Europe stands at the crossroads. We either go ahead -- with resolution and determination -- or we drop back into mediocrity. We can now either resolve to complete the integration of the economies of Europe; or, through a lack of political will to face the immense problems involved, we can simply allow Europe to develop into no more than a free trade area.⁷

Although this challenge was essentially the same one presented to the West Europeans in the 1957 Treaty of Rome, the prevailing political-economic situation did not lend itself to realization of the centuries old dream of European unity. The challenge posed once again by the European Commission white paper in 1985 found fertile ground, and Western Europe found the political will to advance the stalled process of economic and political integration.

⁷ Commission of the European Communities, Completing the Internal Market. White Paper from the Commission to the European Council/EC Commission (Brussels: Commission of the European Communities, 1985): 55.

Following the publication of the white paper, and encouraged by the plan it outlined for achievement of European unification, the European Community adopted the Single European Act (SEA) in February 1986, which was ratified by the member nations in July 1987. The SEA contained several amendments to the 1956 Treaty of Rome; the most significant amendment called for the Community to:

adopt measures with the aim of progressively establishing the internal market over a period expiring on 31 December 1992 ...The internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services, and capital is ensured in accordance with the provisions of this Treaty.⁸

The significance of this amendment is that unlike the Treaty of Rome, the SEA established a firm target date (31 December 1992) for achieving European economic unity. The SEA did not limit itself to promoting just European economic unity. The preamble of the SEA established political unity as an objective as well, but without establishing a firm timetable for attainment. Even if it did not set a firm date, it did lay the groundwork for the eventual political unification of Europe.

The European Community views the Single European Act and 1992 not only as a blueprint but also as a catalyst for change and as an instrument to unify Europe economically and politically. Nineteen ninety-two also provides the sense of purpose for the founding of the EC, which was founded on three principal pillars:

⁸ European Communities, Single European Act (document no.12), Cmnd. 9758, Article 8A, 1986, p.5.

- ° macroeconomic and monetary policies, including a common currency and a central banking system,
- ° a single market,
- ° an external identity that includes political unity and the EC's eventual involvement in foreign policy and security matters.

The adoption of the SEA was a logical and necessary step for implementing these principles and the measures proposed in the white paper. One significant change designed to facilitate its implementation was the elimination of the requirement for EC decision making to be unanimous. This was changed in favor of approval by qualified majorities with respect to measures concerning the internal market. This change was also interpreted by the EC Commission to apply to measures that must be taken for attainment of political unity.⁹

The main thrust of the Single Market Plan is the creation of a true common market with the elimination of all barriers that impede the free movement of goods, capital, and people. The goal is the creation of a completely integrated Community-wide economy. Such an economy will integrate 12 separate markets into one single market of 320 million people, which EC Commission analysts believe will provide significant economic benefits for the European Community and its member-states. The EC Commission projects that

⁹ The EC Commission is responsible for formulating and proposing legislation and providing for the administration of community policies. The Commission is headed by the President and seventeen Commissioners appointed from member-states, who serve the Community rather than their particular countries.

the elimination of physical, technical, and fiscal barriers will result in a mid-term economic gain throughout the EC of \$212 billion to \$312 billion, or 4.25 to 6.5 percent of the EC's gross domestic product (GDP). Job losses during the first few years may amount to 250,000 per year resulting from a reduction of public and private sector employment; however, after the shake-out is over, the Commission estimates that as many as 2 million new jobs will be created and consumer prices will be 6 percent lower than they would have been without market integration.¹⁰

In the view of the EC Commission, a united Europe will be much more competitive internationally and will be able to realize significant economies of scale, higher productivity, and increased innovation associated with the potentially vast European marketplace. To achieve harmonization of the 12 member-states' diverse economies, disparate fiscal and monetary regulations and policies, the EC Commission proposed 279 measures that would have to be implemented prior to 31 December 1992. By September 1989, approximately 60 percent of the measures had been implemented.¹¹ Realistically, no one expects the balance of the measures to be fully implemented by the 1992 deadline. What is expected is that the majority of the measures will be in place, with the market

¹⁰ "A Europe Without Borders in 1992: The Economic Impact," European Community News no. 9/88 (Luxembourg), 13 Apr 88.

¹¹ EC Commission General News Letter, no. 5084, 7 Sep 89.

harmonization process continuing and the Single Market Plan attaining full maturity close to the end of the 20th century, or shortly thereafter.

The "United States of Europe"

The path to fulfilling the dream of a Europe without trade barriers is one fraught with numerous obstacles. West Europeans have few illusions about their ability to create a truly unified entity capable of dealing with political, economic, and security issues and forming an union similar to what Sir Winston Churchill envisioned and termed in 1945, a "United States of Europe."

Not all of the member-states agree with Churchill's vision, since to achieve his goal will require each nation to relinquish a degree of its sovereignty. The members of the EC have already relinquished a portion of their sovereignty, in particular in the area of macroeconomic and monetary policies, just to achieve the goal of a single, integrated European market. To yield even more of their sovereignty to the EC Commission in Brussels for matters dealing with foreign policy and security issues is unpalatable to a few of the EC countries. The sovereignty issue along with the disparity in economic conditions that exists within the member-states, in particular between the Southern Tier (Portugal, Spain, Italy, Greece) and Central European nations; regional rivalries between individual countries; the Continent's historical and cultural diversity; and the German question may very well continue to be barriers to total unification.

A Fragmented Union

With the target date for implementing the Single Market Plan less than three years away, the European Community remains fragmented over a very basic, yet important issue. The Community is still trying to resolve the fundamental question of organization, specifically the question of whether it will become a confederation or a federation.

Great Britain's Position. Prime Minister Margaret Thatcher, having experienced economic stagnation brought about by socialist policy, vehemently opposes the concept of a tightly knit, centrally led federated Europe. Instead, she strongly advocates a confederated European union and envisions the EC becoming a free market, relatively free of governmental intervention, where each member-nation retains its sovereign rights in respect to monetary, foreign, and national security policy formulation and execution. Thatcher has repeatedly lambasted the European Monetary System (E.M.S.) concept, and in particular the creation of a common currency and a central bank. She has argued repeatedly against the full implementation of the E.M.S. since she believes that it will lead to the creation of an exclusive club at a time when the EC should be looking for ways of keeping its doors open to the emerging democracies in Eastern Europe. As a European based US diplomat explained, Prime Minister Thatcher has taken the position that her government does not want to relinquish further sovereignty to the EC Commission for the management of Britain's economic

policy by a commission of "Eurocrats," who are not elected officials and thus not responsible to the people of Europe. She is against a socialist, bureaucratic, nonentrepreneurial Community and envisions the Single Market as being a force for free markets and wider choices with reduced government intervention.

Great Britain accepts the need for european political co-operation, but on a limited basis. Consulting and coordinating with fellow members on issues that impact on the EC as a whole is fine, but the Thatcher government does not want the EC Commission to meddle in political and security matters that are viewed to be the exclusive responsibility of national governments. Britain continues to seek ways to trade actively with confederates on the Continent and to interface on political and security issues that impact the Community as a whole, all the while maintaining her stature and her historical role as the bridge between North America and Europe.

The French Perspective. The majority of the member nations, with France in the lead, prefer a federated union with the intent of eventual total political and economic unification of Europe -- a union that will not only lead to the establishment and implementation of a common currency and a central bank, the European Monetary System, but also to a tightly knit, centrally led Community that will be empowered to formulate and execute common monetary, foreign, and security policy.

Ironically, France under the leadership of Charles De Gaulle pursued a policy of loose confederation because of the issue of sovereignty, but is now the champion of a federated Europe. France has emerged as one of the wealthiest nations in Europe, yet it does not have the economic depth or strength to compete in the international market or delve alone into the political and security arena on a global basis. The establishment of the EC, and in particular the adoption of the SEA, gave France the platform it needed to become, in cooperation with its closest neighbors, a part of a strong world-class economic and political bloc.

To ensure the success of the EC, the French quickly perceived the importance of keeping the Federal Republic of Germany committed and anchored to the European Community. They are convinced that West Germany, the strongest economy in Europe today, is the key to the success of a federated European Community. The French are also convinced that West Germany must not be distracted from its commitment to the Community by the new opportunities that have opened up in Eastern Europe. A US diplomat observed that the French are almost paranoid about West Germany remaining an active member of a politically and economically federated European union. This same person commented that the French believe that it is far better to have West Germany, an economic powerhouse, tightly aligned to a federation rather than having to compete with it in a loosely connected free-market confederation.

A federation would further benefit France, since some of the French feel that their diplomatic skills will not only allow them to retain their prominent position within the hierarchical European order, but also to subtly but firmly direct the political and social programs of the EC along socialist lines.

The West German Position. The West Germans would also benefit from a federation but for different reasons than the French.

West Germany is keenly aware and sensitive to the fact that its economic strength is crucial to the success of the EC, that it could easily be the predominant economic force in a united Europe, and that fears do abound among member-states that West Germany's strength could be readily exercised to the other member-states detriment. Unlike the French, the Germans do not want to create an expanded socialist state; they do not relish the thought of having workers as members of corporate boards, or increasing agricultural and other subsidies.

Germany needs a stable market willing and able to consume their exports, and a common currency managed by a central bank (implementation of the E.M.S.) so that they can enforce economic discipline. Given market stability, and with a disciplined federated Europe locked in at their back, West Germany could then face eastward to unification with East Germany and, by using the market force of the EC, assist in the economic restructuring of Eastern Europe. Through this restructuring effort, it could also cultivate the huge markets held back so long in Eastern Europe by communism.

THE GERMAN QUESTION

The future of Germany has become the single most important question facing the European Community, the United States, and the Soviet Union. From a historical perspective, Germany has emerged as a dominating European power twice in this century, and both times this emergence resulted in war. The issue now is not whether Germany will lead Europe and the rest of the world into a Third World War or whether or not the two Germanies will be united. Unification is a foregone conclusion, and it is an event that will happen sooner than anyone could imagine. The issue is whether the new unified Germany will remain anchored to the West, become part of Gorbachev's "Common European home," or become a Mitteleuropa powerhouse.

Whether or not the German situation is truly a question or a problem is a matter of perspective. From the Federal Republic's standpoint, it is neither a question nor a problem. It is simply a matter of being able to maintain political stability, secure borders, and economic prosperity in an ever-changing European environment and, in doing so, to unify two nations separated only by political ideology.

From the perspective of others, it is both a problem and a question. The problem is not so much how to keep Germany divided, but how to keep West Germany anchored to the West and, if the two Germanies do unite, how to keep the new unified Germany tied to the West. The issue is how to deal with this economic and political colossus and what impact a unified Germany will have on the rest of

Europe, the EC, West-West relations, and East-West relations in general. The fear and uncertainty that the German situation engenders in its European neighbors was best expressed by French Nobel Prize laureate Francois Mauriac when he said: "I love Germany so much that I want there always to be two of them."¹²

The "Economic Giant/Political Dwarf" of Europe

West Germany's economic clout and central geographic location have thrust upon it a new preeminence within the European Community and beyond. Until recently, West Germany was derisively known as the "economic giant-political dwarf" of Europe. As a result of the changes that have been brought about by the political and economic liberalization process that took hold in Eastern Europe and the subsequent breaching of the Berlin Wall, West Germany has been pushed and pulled to the forefront of the European political stage. Its commitment to remain within the European Community, to remain aligned with NATO and the EC while pursuing unification with the German Democratic Republic (GDR), is being questioned within the European Community and the NATO alliance. The issue of West Germany's future focus has become so central that it has forced the Bonn government to make repeated public and private statements assuring its Western Allies of its commitment to the Community and NATO. The German "question" is a European problem, but concern

¹² H. D. S. Greenway, "German Unity Raises Fears," Boston Globe 8 Oct 89: 1.

over the German "question" or "problem" is not limited to the West. The Soviets are also deeply concerned over the issue of unification and the impact it would have on existing alliances.

The leaders of West Germany have been and still are extremely sensitive to the country's history and to any perception that it may show the slightest signs of once again becoming an overbearing neighbor. Consequently Germany's foreign policy for the last 40 years has been one of cooperation with its Western allies and their European neighbors, while quietly pursuing a political and economic agenda leading to the rehabilitation of the country.

In the pursuit of this postwar agenda, Germany thoroughly wrapped itself within the cloak of the NATO alliance, becoming the forward bastion of American power in Europe and also the potential battleground for any East-West confrontation. By refusing to accept the territorial consequences of World War II and the creation of the German Democratic Republic, West Germany was confronted with a permanent conflict with the East and in particular with the Soviets. The Federal Republic's weaving of its national interests with those of the West, as expressed by its foreign policy, was in conflict with the geopolitical history of the country. Never before had Germany ever chosen such exclusive ties or even accepted such thorough dependence on an alliance. Traditionally Germany believed in independence, and when it did seek out alliances, it concluded them with terms that did not limit its options or require a commitment of total dependence.

The calling for reduced dependence and increased options drives the diplomacy of any state, particularly for one that found itself so subjugated after World War II. Unable to manage on its own the conflict created by the postwar division of Europe, and wanting to attain the goal of unity with the GDR, Germany had to heed to the geopolitical reality that its future security was intricately tied to the security interests of the Western Alliance. West Germany's aim was to roll its conflict into the general East-West conflict, thus identifying the threat to one as a threat to all. In exchange for this, West Germany acted as the "continental sword" for both the US and NATO, earning maximum power through a modicum of subordination of national interests. The late German Chancellor Konrad Adenauer best summed up this policy approach in a speech to the German Bundestag on 20 September 1949, when he said: "there is no other way of attaining freedom and equality of rights than in concert with the Allies."

While pursuing this course of action, Germany prospered economically and turned into the "economic giant" of Europe. Germany's 3.4 percent real Gross National Product (GNP) growth in 1988 was the strongest in more than a decade. The dominant feature of Germany's economy is its massive trade surplus, which rose from \$52 billion in 1986 to \$73 billion in 1988, with industrial capacity utilization of 90 percent, and the bulk of this surplus resulted from trade with other EC nations.¹³ To maintain this

¹³ US Department of Commerce, EC 1992: Growth Markets (Sept. 1989) p.26.

economic momentum in the 1992 Single Market Plan environment, Germany's need for a federation and the implementation of the European Monetary System is driven by the factor that its export-oriented economy requires political and economic stability among its trading partners. Given a choice, Bonn would undoubtedly prefer to see a federated European Community, led by a Germany viewed as a partner that is "first among equals." Although this choice cannot be officially articulated, for it would serve only to reinforce the fears of a Mitteleuropa, it is one that would give the Germans the ability to enforce macroeconomic discipline and to provide the stability that its export-oriented economy requires.

The Giant Awakens

The "giant/dwarf" analogy can no longer be used to describe West Germany, since the Germans have begun to exercise their political and economic strength and are beginning to shake off their past inhibitions. Soviet President Gorbachev's announced policy of Perestroika only served to accelerate the changing way Germany viewed its position both within the EC and within NATO.

Confronted with a revolutionary Eastern Europe, the crumbling of Soviet power and influence east of the Elbe river, the acceptance of democratic reforms in governments that only recently acknowledged the validity of the Communist party, and the birth of an embryonic free-market system in the East, Germany has paused to take stock of its situation and its position. These events, along with the perceived deflation of the Soviet military threat to

Europe, have now provided the opportunity it was looking for. The Bonn government has a historic opportunity to fulfill its policy of ostpolitik if it takes the initiative and pursues it carefully without upsetting its present economic (the EC) and security (NATO) relations. But to accomplish this means having to flex both its political and economic muscle gingerly.

The establishment of the E.M.S., and in particular the central bank proposal patterned after the German Central Bank, and the German suggestion that the EC take the lead in assisting Poland and Hungary are but a few examples of Bonn quietly exercising its political and economic influence within the EC. In the NATO arena, Bonn chose the Lance missile modernization issue as the test bed in which to gently and successfully flex its political muscle. The point here is that economic and political circumstances finally forced the "political dwarf" to mature. A senior French official expressed the concerns of the French when he stated during an interview that "we are no longer confronted with a Germany that was an economic giant and a political dwarf. We are now confronted with a giant, pure and simple, and that concerns us."¹⁴

The Impact of German Unification on its Allies and Europe

The unification issue has been one to which almost every Western leader over the last 45 years has paid lip service, tacitly encouraging the Germans, but never expecting to confront and deal with the issue head on. They all believed that any serious

¹⁴ Fieschi interview.

movement towards unification would open the proverbial Pandora's box, and thus it was better to appease the German desire and try to keep West Germany's attention focused on Western economic and security matters. But now both the East and the West are being forced to grapple with the unification issue.

A united Germany could become a power unto itself, since with a projected population of 80 million and a GNP equivalent to about \$75 billion,¹⁵ it would be capable of dominating the political scene of Europe and the economies of both Western and Eastern Europe, as well as becoming an influential global economic power. A united Germany could seriously challenge America's political and security role in Europe, replacing the United States as the leader of Western Europe and the trans-Atlantic alliance. The thought of one single European nation possessing such economic and political clout was enough to raise the fearful specter of a renewed Mitteleuropa in the eyes of the EC, Washington, and Moscow.

Kohl's 10-Point Plan

As further evidence of the giant acting independently, in a speech to the Bundestag on 28 November 1989, Chancellor Kohl announced his 10-Point Plan, a plan that outlined how he envisioned the eventual unification of the Federal Republic and the GDR. Kohl announced his 10-Point Plan without prior consultation with the EC membership, his NATO allies, or the Four Powers, a fact that solicited a few sharp responses from the EC member nations,

¹⁵ US Department of Commerce, p.26.

Washington, and also Moscow. Kohl's plan was prompted as much by domestic politics, where he was able to gain the high ground over his political opponents, as by events in the GDR. Even though Kohl hedged on disavowing any territorial claims on the areas lost by Germany after World War II, he did pledge that a unified Germany would not be a threat.¹⁶ Even though the plan did not specifically mention the creation of a single, colossal German state, it is unavoidable that a united Germany will become the economically strongest nation in Europe, and one whose influence will extend far beyond its political boundaries. It is evident that the Kohl plan was conceived from a clear understanding of the Federal Republic's economic and political strength, and the understanding of its geopolitical position within Europe.

The reactions to the Kohl Plan. The EC took the stance that Kohl's 10-Point Plan did not contribute to the Community's integration efforts and its efforts for European unity, and it became a central issue for discussion during the 8 December 1989 Council of Europe summit meeting. For the sake of unity, the Council endorsed the concept of eventual German unification with reservation, but did not fully endorse the plan. The Council's reservations centered on three points:

¹⁶ Henry A. Kissinger, "Living With The Inevitable," Newsweek 4 Dec 89: 51; Daniel Benjamin, "Kohl Takes on Topic A," Time 11 Dec 89: 45; Karen Breslau, "One People, One Country: A Scenario," Newsweek 11 Dec 89: 34.

- ° Germany might take a go-it-alone approach to unification without consulting the EC.
- ° German unification would not respect existing EC agreements and would not take place within the context of European integration.
- ° Germany, preoccupied with the unification issue, would lessen its involvement with the EC.

In response to the Council's reservations, Kohl had to repeatedly assure the EC that Germany would remain an active partner in the integration process and would not take any actions that would jeopardize European integration or the 1992 plan.

Kohl's 10-Point Plan was rejected outright by the Soviet Union, with Soviet President Gorbachev warning that Kohl's plan was provocative and destabilizing. Gorbachev rejected any attempts by West Germany to infringe on the sovereignty of the GDR, going so far as to say that "on the stability of the GDR depends, in no small degree, the stability of the European continent,"¹⁷ a veiled threat, but one that expressed the Soviet Union's concern over the future of the GDR.

President Bush reacted by not being opposed to German unification in principle, but he did establish conditions for unification. Specifically, unification could be accomplished if it was accomplished by the will of the people of both states, if it was accomplished in consort with the Allies, if it was done within

¹⁷ C.R. Whitney, "Bonn Leader Softens His Plan For German Unity," New York Times 12 Dec 89: A1, A16.

the context of European integration, and if Germany remain tied to the West -- points that he strongly emphasized during his 4 December 1989 speech in Brussels.

The "Treaty Community"

Chancellor Kohl, taking heed of the hue and cry raised by his 10-Point Plan, pursued a more subtle approach to unification. The West German government clearly understood that it was in Bonn's interests, and in the interests of the EC and the East and West Blocs, for Bonn to try to maintain political and economic stability in the GDR, operating within the Western European framework. In an effort to do this, it was announced on 19 December 1989 that the FRG and the GDR would sign a pact in the spring of 1990 that would integrate a broad array of social, economic, and political activities into a single "Treaty Community." The "Treaty Community" is intended to promote governmental, financial, and social ties that will bind the two nations in such a way that unification would be all but inevitable. As one US official put it, the "Treaty Community" amounts to the two Germanies agreeing to cohabitate without the official sanction of matrimony and hoping that as time passes their common-law marriage will be accepted as a fait accompli.

The EC Commission and the French are concerned about this movement, since they view the "Treaty Community" as a giant step towards de facto unification and they do not know what the outcome and effects will be.

The Modrow Proposals

Chancellor Kohl's 10-Point Plan and the "Treaty Community" served to fuel the unification fervor that was brewing in the GDR. To counter growing public pressure and to stem the tide of the number of East Germans moving to the West, East German Prime Minister Hans Modrow announced his own unification proposals on 1 February 1990. The Modrow plan did not provide a specific timetable to accomplish the unification, but it did recommend for the unification process to be done in four phases.

Prime Minister Modrow's plan called for a unified Germany that is a militarily neutral state belonging neither to NATO nor the Warsaw Pact alliances, and that is part of the "European House." Modrow added another condition to his unification plan, that unification would maintain "the interests of the four major victor powers of World War II, which have residual rights in both Germanies."¹⁸

Kohl's 10-Point Plan and the Modrow proposals covered basically the same ground as far as the process of unification is concerned. There was an inconsistency in Modrow's proposals, in particular with the conditions he attached. He recommended a militarily neutral state, but acknowledged the rights of the Four Powers. If he wanted to form a truly neutral state, why did he not claim both political and military neutrality as one of the preconditions for unification? The conclusion is that Modrow's

¹⁸ H. Kamm, "East Berlin Chief Presents His Plan to Unite Germany," New York Times, 2 Feb. 1990: A11.

proposals fell in line with what Moscow has offered since the Stalinist period: consent to German unification as long as the new Germany is a neutral Germany.

The Modrow proposals were not only an effort to go on record regarding the unification issue, but to express also the Soviet position. The fact remains that the USSR is strongly opposed to a unified Germany that is aligned to the West, and will continue to voice its opposition, becoming the single most important barrier to unification.

Washington reacted strongly to the neutrality aspect of Modrow's proposals by rejecting this precondition to unification. The Bonn government also believes that Germany must remain politically aligned to the West and that military neutrality is not an option since it would serve only to reinforce the fears of others that a unified and neutral Germany would turn into a Mitteleuropa.

The Ottawa Agreement

The February 1990 East-West conference of foreign ministers held in Ottawa produced an agreement regarding German unification. Building on Kohl's 10-Point Plan, the foreign ministers of the United States, Soviet Union, France, United Kingdom, and the two Germanies announced on 13 February 1990 that they had agreed to a two-phased unification process.¹⁹

¹⁹ Paul Lewis, "Accord in Ottawa," New York Times, 14 Feb 90: A1, A10.

The first phase would be comprised of discussions between the Federal Republic and the GDR pertaining to the economic and social unification of the two countries. The formal discussions would begin after the 18 March 1990 elections in the GDR.

The second phase would begin after the two Germanies agreed on the internal aspects of unification. Representatives of the two Germanies along with Allied Powers representatives (US, U.K., France and the USSR.) -- the "2 + 4" formula -- would then discuss the external problems that unification would create. The external problems are related to future military alliances of the new Germany, the requirement to resolve the border problems with Poland and other East European countries, and the security concerns of the Soviet Union. (These will be addressed in chapter IV.)

The Ottawa agreement reflects the reality of the situation. Germans on both sides of the border are pushing for unification, and any attempt by either German politicians or foreign governments to stop them from achieving this goal would result in the politician committing political suicide and the possibility that unification would occur without regard to external problems.

What will be the impact of the Ottawa agreement on the EC? The Community is once again caught in a quandary. It cannot survive without Germany, but a unified Germany would definitely upset the balance of power among the 11 other member nations. To regain the balance, France could join Britain in its call to keep the EC open to new membership, in particular new members from the East. This would be contrary to what EC Commission President

Jacques Delors has been advocating about not admitting new members before the 1992 Single Market Plan is fully implemented. Given the choice of a single dominant nation within the EC versus a dilution of power, there may be no other option but to accept new members into the Community to help restore the balance of power.

EC DISAGREEMENT ON EUROPEAN INTEGRATION

The momentum that German unification has gained, along with the rapid changes taking place in Eastern Europe, could not have come at a worse time for the European Community. Caught in the throes of trying to establish a single market by 1992 and attempting to resolve internal organizational differences, the EC is now confronted with the task of assimilating an economic giant while trying to maintain stability in Eastern Europe. This situation has only led to an attenuation of its internal problems.

The severity and the depth of the internal EC disagreements have not gone unnoticed outside of Europe. Observers often question how, if the Europeans cannot agree even on the fundamental issue of Community organization, Europe is ever going to achieve unity, become a regional power capable of managing the changes that are occurring in Eastern Europe, and, above all, be able to manage its own destiny. A senior EC Commission official commented that the Commission realizes the severity and the consequences of the disagreements, and that this is perhaps the last chance that Europe will have at unification. He also stated that he is optimistic that Great Britain will eventually agree to a federation and that

West Germany would remain firmly committed to the European integration process. He noted that the differences among members states must be resolved quickly, before President Delors' term expires, for no one knows what path a new President will take.²⁰

In spite of the difference in opinions, the Europeans do agree that Germany's full participation in the EC is vital to the success of the institution and to the future well-being of the member-states. The possibility does exist that Germany could turn its attention eastward, filling the void left in East Central Europe by the collapse of Soviet influence, thus becoming distracted from its commitments to the EC. Without Germany's total commitment to the EC, fears abound that the individual European states will not be able to cope with the challenges of the future, in particular in the areas of technology, trade, and political influence on a global scale.

The internal organizational problems and the radical changes that have transpired in Eastern Europe have not changed the EC Commission's belief that the Community is well on its way to realizing two of the three founding principles. A counselor to the EC Commission commented that total harmonization of macroeconomic and monetary policies is just a matter of time, but that most of the mechanisms required to implement the Single Market Plan are already in place and ready for 1992. He continued by saying that establishing an external identity will take a long time, but it

²⁰ Rene Leray, Director, Planning for Foreign Policy and Security, Commission of the European Community, personal interview, 10 Jan 90.

will be achieved in the end. Although this latter statement may be an overly optimistic viewpoint, the fact remains that total unity remains very high on the EC Commission's agenda.

The most important lesson that the Europeans have learned, which has been reinforced by the events in Eastern Europe, is that economic and political unity is in the process of replacing military force as the natural appendage of policy. It is a lesson that must not only be learned but also implemented, and one that the EC believes cannot and should not be sidetracked by other lesser matters.

The question remains whether the EC can become the vehicle to fulfill the dream of unity or will be limited to being only a Community of merchants. Even then, what happens to European unity at the first sign of an economic downturn -- an economic recession of such magnitude that it would force the political leaders of the member nations to place national interests above pan-European interests? What would happen to the unification and integration process if Europe were faced with another OPEC oil embargo, such as the one experienced in the early 1970s? In light of the progress that the EC has made in integrating the diverse economies of the 12 member-states, the organization could possibly survive a severe recession or an oil embargo if all member-states stuck together and did not attempt to go it alone. On the other hand, it is possible that the pressure placed on the national elected leadership by the

citizens of each country would be of such magnitude that they would be forced to go it alone, thus dashing on the rocks any hopes of unity.

CONCLUSIONS

From a practical standpoint, the momentum the Single Market Plan is developing and the experience that the EC Commission is gaining from the entire integration process will enable the European Community to overcome future economic obstacles.

The unification of the two Germanies is the single most important problem facing the Europeans today. How it will be accomplished, how long it will take to complete the process, and what will be the political, economic, and security conditions of the unification action are the unknown factors that will deeply affect the European integration process. Germany's preoccupation with the unification issue, an issue that is not only an emotional one but also a politico-economic one, could very well force the Kohl government to slow down Germany's participation in the EC's integration process until German unity is achieved. This too will lead to turmoil within the EC, and until the future of Germany is resolved, the EC will not be able to speak with a truly single voice for all Europeans.

The EC's inability to speak with a single voice is presently both a hindrance and a hidden blessing for the US. It is a hindrance because the US is actively seeking EC cooperation in dealing with the emerging East European nations and managing the

changes that are transpiring. The EC has been able to take the lead in providing economic aid packages to Poland and Hungary, but has not been able to come to grips with the political changes that are occurring. The fundamental differences of opinion regarding the organization of the EC along with the prospect of German unity has created turmoil among its membership, and it does not appear that this turmoil will subside anytime soon. As a result, since the fragmented union has not shown the capacity for providing the political leadership necessary to manage the changes, some Europeans still look to the US to provide the leadership and the stability they so desire. In this respect, it is a hidden blessing since it allows the US to maintain its paterfamilia position while striving to forge a new role for itself in the post-1992 Europe.

CHAPTER III

EUROPEAN POLITICAL CO-OPERATION

The European Political Co-operation (EPC) process was formally established by the Council of Europe in 1970 when it published the Luxembourg Report. The report outlined the aims and methods by which the member-nations could pragmatically cooperate on foreign policy matters. The Heads of State voiced their expectations that the EPC process would enhance the unification effort and would enable Europe "to establish its position in world affairs as a distinct entity."²¹ The EPC process created a unique system for exchanging information, mutual consultation, and co-ordination of collaborative diplomacy among sovereign countries, directed towards the goal of instituting and exercising a common European foreign policy. The process was best described by West German Foreign Minister Genscher when he stated that European Political Co-operation has become "a central instrument of the pursuit of both national interests and European integration."²²

²¹ Federal Republic of Germany Press and Information Office, European Political Co-operation (Bonn: 1988) 15.

²² FRG Press and Information Office, 14.

The EPC's main area of activity corresponds to the foreign policy issues facing the EC member-states -- in particular East-West relations, including the Conference on Security and Cooperation in Europe (CSCE), co-operation with the United Nations, the trouble spots in the Middle East, southern Africa, Central and Latin America, and any global political developments having repercussions on Europe in some form or another. In order to accomplish the EPC mission, a separate EPC Secretariat was established at the Council of Europe level and tasked with coordinating the process, since the Treaty of Rome did not authorize the European Community Commission to delve into foreign policy matters.

The preamble of Single European Act (SEA) encouraged the European Community to strive for the goal of political unity, but unlike the goal of economic unity, it did not set a firm deadline for its attainment. The SEA also envisioned that EC member-states would closely coordinate their position on the political and economic aspects of European security; in essence, the SEA reinforced the EPC process. Realizing the diverse national interests of the EC member-nations, the SEA explicitly stated that the provisions of the Act "did not preclude extensive co-ordination of security and defense policy by individual members within the framework of the Western European Union (W.E.U.) and the Atlantic Alliance."²³

²³ Title III, Art 30, para 6(a), SEA

The SEA did take a pragmatic approach to EPC taking into consideration the diverse interests of the member-states, and for this reason the EPC process has not always produced concrete results. The two achievements that one can point to are the unanimous position that Western European nations took in dealing with the 1974 OPEC oil crisis and the dispatch of European naval vessels to the Persian Gulf during the Persian Gulf "tanker war." The significance of the EPC process is that it has provided a forum for the EC nations to discuss problems of mutual concern, an accomplishment in its own right, given the history of Europe.

EUROPEAN POLITICAL CO-OPERATION AND NATO

There is a growing perception in Europe that a subtle shift in power is taking place, that power is shifting away from NATO and towards the EC. There are three principal reasons that this perception exists:

- ° The Soviets no longer pose a direct military threat to Western Europe. Since the military threat is perceived to have all but vanished, NATO as a defensive military alliance is destined to play a lesser role in the European political scene.
- ° Nations at peace with their citizens and their neighbors no longer require strong military alliances.
- ° The fact that economic strength is in the process of replacing military strength as the natural companion of power, the shift of power to the EC is a natural one.

For altruistic reasons the EC Commission has done nothing to dispel this perception, since it does not view itself as the "second pillar" of NATO. Explaining the reason the Commission has not tried to dispel this perception, a Senior EC Commission official stated: "we feel that NATO is dying and see no reason to assist in its survival."²⁴ The EC Commission is striving for the EC to be seen, accepted, and treated as a separate and distinct player in European affairs, with NATO -- should it survive -- being the institution through which European political and security policy is executed.

If the political-military-economic situation that presently exists in Europe is examined within the context of the next decade, the validity of this perception and the EC Commission's self-image become questionable.

Granted, the immediate Soviet military threat has lessened, not because there has been any major reduction of Soviet military forces in Eastern Europe, but because of the weakening of the Warsaw Pact alliance. It was weakened not by any overt act of the EC, it weakened because of the political upheaval and political transformation that is taking place in Eastern Europe. But just because the Warsaw Pact alliance has weakened does not mean that the danger has passed. It has not; it has only changed the form it takes.

²⁴ Leray interview.

The Western European nations may be at peace with their citizenry and at peace with each other, but this does not hold true for the East Europeans. Once more danger persists because of the upheaval taking place in Eastern Europe.

The French are rightfully concerned about the upheavals taking place. They are deeply concerned about the occurrence of more bloody uprisings such as the one in Romania, since such events have a tendency to grow out of control. The French as well as the West Germans are aware that the changes in Eastern Europe are being controlled by citizens in the streets, and not by politicians and diplomats. Should change not happen as rapidly as the citizens expect it to, this could lead to more violence and bloody clashes destabilizing the transformation process that is underway, and an unstable crisis environment would flourish.

Strength and stability lie in numbers and experience. For the French, stability is the key to being able to manage the changes that are occurring and to promote European integration. For the West Germans, stability is also the key to their pursuit of unification with the G.D.R.. NATO provides both countries with the experience that the EC does not have, that of dealing with East-West problems. NATO can also provide them a unified platform from which they can, in conjunction with other Alliance members, manage the demilitarization of Europe, which will eventually lead to an economically if not a politically unified Europe.

For both of them, stability can be achieved only by continuing to ensure that European Political Co-operation is done in concert with NATO.

In regards to the last principle -- that economic strength is in the process of replacing military strength -- this may be true as it pertains to West-West relations. But it is not entirely applicable to East-West relations at the present time and at least not within the next decade. Before you can befriend an old enemy, you must develop mutual trust and understanding, and agree as to how both parties will reduce the threat to each other. Economic strength can be applied in the present situation, but only in as much as it leads to the maintenance of stability and hopes for a better economic future for the East European nations. Until such time as a conventional force reduction agreement is reached and implemented, Western Europe needs to effectively use both weapons -- the EC and NATO -- to maintain the stability that it so desires.

EC COMMISSION PERSPECTIVE OF EPC

We must not be diverted from our course. Our aim is to speed up the process of political integration between our members who want to take the ideal of Europe's founding fathers to its logical conclusion.²⁵

Jacques Delors

²⁵ Jacques Delors, President of Commission of the European Communities, speech, Dedication of Gunzburg Center, Harvard University, Cambridge, Mass. 22 Sep 1989.

The EPC process was once viewed by the EC Commission as being the second pillar (economic integration being the first) in the process of European integration. That is no longer the case. The events that transpired in Eastern Europe, the reduced Soviet threat to Europe along with the progress that has been made toward implementation of the 1992 Single Market Plan, have changed this perception. President Delors, backed by France, appears to be of the opinion that to successfully unify Europe under the EC banner there can no longer be a differentiation among political, economic, and security issues, since they have become inseparable.

A senior Commission official described this belief by arguing that a political issue is a security issue, and both are increasingly being tied to economic realities.²⁶ As such, the three elements are considered to be an intricate part of European political unification as championed by the SEA and must be managed by one organization, preferably the EC Commission itself. The Commission presents itself as the only European institution capable of managing all three, and it would be to Europe's advantage to have one single organization taking an active role in political, economic, and security policy formulation and execution. Policy approval would still remain a national prerogative. Essentially, the Commission is advocating changing the EPC process from a voluntary one to a formally structured procedure managed by the Commission.²⁷

²⁶ Leray interview.

²⁷ Leray interview.

The Objections And The Problems

The EC Commission's belief that management of Europe's political, economic, and security matters is its manifest destiny is not shared by all member-nations.

Prime Minister Thatcher opposes Commission involvement in matters that she views as strictly the prerogative of national governments.

France, although not totally enamored of the Commission's desire to become involved in such issues, supports the initiative solely on the grounds that it will lead to an integrated, unified Europe.²⁸

West Germany, not wanting to alienate France, supports the initiative for basically the same purposes that the French do.

In addition to the national concerns, there are practical problems that must be overcome. The EC Commission's number one priority is the successful implementation of the 1992 Single Market Plan.²⁹ For the next decade at least, the Commission will be deeply enmeshed in trying to implement the 1992 Plan, harmonizing the disparate economies, and will not have the time or the energy to devote to the EPC process. In discussing the future role of the EC Commission's involvement with EPC, one French official said that

²⁸ Fieschi interview.

²⁹ Leray interview.

"we need to maintain stability so as to be able to manage the changes that are transpiring. We need political cooperation now, not 10 years from now."³⁰

The question that arises is since the EPC process has not had too many resounding successes, how is the Commission going to change that and manage the myriad of diverse national interests? One EC Commission official commented that the Commission is aware of the historical problems of the EPC and has no delusions as to the difficulties that will be encountered. The same official suggested that perhaps one way to overcome the problems is for the member-states to establish European political and security goals on a triennial basis. By addressing the major areas of concern and by establishing milestones for their attainment, the diverse national interests could be dovetailed into several common goals that reflect pan-European concerns. The achievement of these pan-European goals would be the Commission's responsibility.

Although this is an interesting concept, how the Commission can overcome the diverse perceptions of political and security interests and develop the trust that will be required among member-nations to formulate, approve, and execute the common goals remains to be seen. It is not unreasonable to expect each of the 12 sovereign member-nations to want to promote its own interests, in particular when they pertain to long-festering regional problems such as the Greek-Turkish dispute. The Greek-Turkish situation is

³⁰ Fieschi interview

but one example of a member-nation trying to promote a national position, which would mire the EPC process to the point where nothing could be accomplished.

Another question that is raised is one of practicality. Under the present EPC process, political and security cooperation is discussed during various ministerial meetings held throughout the year, with formal decisions being made during the semi-annual Council of Europe summit meetings. If the EPC process comes under the purview of the EC Commission, the Council of Europe will have to meet more frequently to debate the issues and to make the necessary decisions. National leaders would be hard-pressed to attend more frequent meetings, since domestic politics is their prime concern, and successful handling of domestic issues -- not international ones is what keeps them in power.

The Impact of 1992 on EPC.

Nineteen ninety-two will also impact on the EPC process, since the SEA specifically addresses European co-operation in the area of foreign policy by stating that "five years after entry into force of this Act the High Contracting Parties shall examine whether any revision of Title III is required."³¹ Since the Act went into force in 1987, 1992 is the year that the provision of this article gives each member-nation the opportunity to review its position regarding European Political Co-operation. In an attempt to insure that the total integration process is not derailed by one or more

³¹ Title III, Article 30, SEA.

members' desire to change the article's provisions, the Council of Europe, during its 8 December 1989 summit meeting in Paris, agreed to convene a special inter-governmental conference in late 1990 or early 1991. The inter-governmental conference has been tasked to study and find the best way to formalize the EPC process, and to prepare an amendment to the Treaty of Rome that would authorize the new process and its organizational structure.³²

The significance of the Council's action is that it yielded to the EC Commission's desire to have such an inter-governmental conference convene and provide its recommendation prior to 1992. Whether or not the conference will agree with the Commission's position to formalize the EPC process and for the Commission to manage it is unknown. In all likelihood the Council will accept a compromise position where the Council does not relinquish its authority, but does give the EC Commission responsibility for the EPC process. The key point, though, is the Commission's desire to achieve a greater influence over the political and security issues of the EC, thus positioning itself to become the central player if and when total European unity is ever achieved. But is this what the key members states want? Evidence suggests otherwise.

As 1992 approaches along with the implementation of the Single Market Plan, member-nations are finding that they are relinquishing more and more authority for macroeconomic policy formulation and execution to the EC Commission. As much as they want the Single Market Plan to succeed, the member-nations are showing a greater

³² Council of Europe, Joint communique, Dec 89.

reluctance to relinquish further authority to the EC Commission, in particular for matters dealing with European Political Cooperation. It is evident that in spite of their good intentions, they want to continue maintaining their options.

France is a classic example. On one hand French officials realize that for the EC to become a stronger institution and for Europe to achieve unity and independence the E.C must become involved with political, economic, and security matters. In spite of its desire to lead a unified Europe, France is having difficulty reconciling its own interests with those of Europe. Many of the French people to whom we spoke do not want the EC to meddle in political and security affairs that would impact on France's national interests and special relations (bi-laterals) with the US, the F.R.G., and others. France wants the EC to be primarily involved with the social-economic-welfare aspects of Europe, and even though it does want the EC to establish an external identity, it does not want the EC to do so at the expense of national interests.³³

Many West Germans do not want the EC to meddle in politics and security issues either. It too wants the EC to develop an external identity, but only as long as it is done in cooperation with the US and does not interfere with West Germany's policy of "Ostpolitik." For the immediate future, West Germany needs US support to settle the unification issue and to deal with the Soviets and does not

³³ Fieschi interview.

want any EC action to jeopardize this support. It is premature to address the position that a unified German would take regarding EC Commission involvement in political and security matters. Too much hinges on how unification is accomplished, under what terms, and how the US and the USSR view their own interests in relation to a new Germany and Europe in general.

Great Britain has taken basically the same position as West Germany. The difference is that Prime Minister Thatcher is vocal in her objection to a supra-nationalist institution meddling into purely national matters -- political, monetary, and security affairs -- and the Germans are not. The British government does not envision a new Europe without US participation but wants the US to remain a partner in Europe. British support for a continued US presence is based on three factors. First, Britain and the US have similar views on most international issues. Second, the presence of the US will assist in controlling a giant unified Germany; lastly, a continued US involvement in Europe will help to dilute French political influence.

A WESTERN EUROPEAN EXTERNAL IDENTITY

What is an "external identity" for Western Europe? This could be defined as a Western Europe that is capable of dealing with political, economic, and security issues as a single entity: a Western Europe that has a common political, economic, and security policy and is viewed and accepted by the US, the USSR, and the East Europeans as a single entity instead of a "membership of 12" narrowly focused on economic matters, or a Community of merchants.

President Delors' move to have the Council of Europe endorse an inter-governmental conference stems from the observation that present institutional arrangements for dealing with external political and security issues are no longer valid.³⁴ The present system does not provide for a clear-cut delineation of responsibilities between the supra-national EC Commission and the inter-governmental EPC process. An example of this is the presumption that the EC, based on the provisions of the Treaty of Rome and the SEA, is the only European organization empowered to negotiate trade agreements on behalf of the Community as a whole. Yet West Germany has entered into several bilateral agreements with East European nations without consulting the EC. Why was West Germany allowed to do this? Was it because West Germany's continued commitment to the EC is considered to be so crucial that this breach of protocol was overlooked? When a senior EC Commission official was queried about this, he responded that it was handled as a political co-operation problem versus an economic problem, due to the events that have transpired in East Europe. He did admit, though, that Germany was moving too fast and that any future trade agreements should be made under the umbrella of the EC and not on a unilateral basis.

The West European reaction to Secretary of State Baker's proposal regarding the establishment of a formal link between the US and the EC further illustrates this problem. The motivating factor behind the proposal was that the Bush administration

³⁴ Council of Europe, Joint communique, Dec 89.

anticipates that the EC will eventually become a major economic and possibly political force in the core of any new Europe. Wanting to be able to protect US interests and to ensure a continued US role in Europe, Baker made the proposal. The proposal is bound to meet with European political resistance, a resistance most likely to be led by France, for anything that suggests that the US would become the de facto 13th member of the EC goes against France's interests. When a senior French official was asked about this proposal, he responded by wanting to know what this link would do to the political, economic, and security relationship that France enjoys with the US. Would this relationship be usurped by this link, or would it continue to exist?

The conclusions that may be drawn from these two examples lead one to believe that in spite of the pretense of European unification, the EC has not been able to overcome the idea of nationalism. It is apparent that nations will continue to interact only with other nations that they perceive to have real responsibility and will want to maintain bilateral ties, since these ties are viewed as far more advantageous than representation of national interests in the supra-nationalist arena. Conversely, issues that impact the whole or from which a nation can gain strength through numbers can and will be relegated to being discussed and handled by the supra-nationalist institutions such as the EC. Evidence suggests, however, that this charade cannot be carried out for much longer since the changes that are occurring in Europe are occurring faster than politicians and diplomats can

effectively manage. At some point, the EC membership will have to decide which issues will be handled on a national basis and which will be handled by the EC. Once that is done, they will have accomplished the first step in delineating responsibility for the EPC process between inter-governmental cooperation and the EC.

Defining responsibility for the EPC process can come about only after the West Europeans decide on how much national authority will be relinquished to the EC and, in particular, to the EC Commission. Only after they come to terms with this problem and the responsibilities are clearly defined will the EC be able to establish its external identity.

THE IMPACT OF NEUTRAL NATIONS ON EPC

The EC Commission's attempt to formalize the European Political Co-operation process raises fundamental questions about Western Europe's relations with its neighbors and partners that extend well beyond "commercial policy" as it is traditionally defined. One of the main questions being asked is what will happen to EPC, and how can the EC deal with political and security matters, if neutral nations are granted membership. Europeanists claim that this problem is not as insurmountable as it may seem, and they point to the case of neutral Ireland, which is an EC member.³⁵ Ireland, though, is a relatively small country with little in the way of geostrategic importance. Austria, on the other hand, which formally applied for EC membership in 1989, is a

³⁵ Leray interview.

strategically positioned neutral. Austrian application for EC membership, however understandable from the Austrian point of view, will raise serious questions regarding western security, East-West relations, and the political order of Europe as a whole. Austrian neutrality is and has been part of the architecture of the postwar European security system, a system that will be difficult to change.

The Austrian case also applies to the emerging East European nations that have indicated the desire to eventually join the EC. How will their political and security interests be represented? The "Concentric Circle Theory" has been promoted as one means of dealing with this problem while expanding the EC.³⁶ The advocates of this theory claim that the 12 present member-nations will be the core of the Community, enjoying full rights and representation along with participation in the EPC process. Nations that wish membership in the future, such as any of the nations that are now part of the European Free Trade Association³⁷ or any of the east European countries, will be included into an expanded free-trade zone. Their participation in the EC's political and security dialogue will very much depend upon their neutrality status and alliance affiliation.

³⁶ Laurent Van Depoele, Counsellor, Commission of the European Communities, personal interview, 7 Nov 89.

³⁷ Austria, Finland, Iceland, Norway, Sweden, and Switzerland.

What does this theory do to the concept of total European unity and a Europe that is able and willing to speak with a single voice? The German unification question also poses a problem for the advocates of this theory, since it is unknown what will be the final shape of a unified Germany. The "Concentric Circle Theory" does not promote the ideal of total European unity as envisioned by the EC founding fathers, but rather promotes total unity for the 12 present members, with a lesser status for the rest. This is one of the reasons why Britain's Prime Minister Thatcher opposes a tightly knit federated Europe. She has continuously promoted a confederated Europe that is focused on creating a true single market, which would be in a better position to accept new members. A European Community organized along these lines would be able to look eastward and extend membership to the East Europeans and neutrals alike without upsetting existing political alliances, thus creating an economically unified Europe.

From a more immediate and practical standpoint (1992 specifically) the EC Commission fears that allowing neutrals or even European Free Trade Association (EFTA) nations to join the EC will only overwhelm the EC apparatus at a time when it is totally preoccupied with trying to implement the Single Market Plan. Admission of neutral nations and eventually East European nations will be one of the thorniest problems the EC will have to deal with. Their admission not only represents a dilution of the original ideals, but also would lead to a dilution of power of the present three main members: France, Germany, and Great Britain.

CONCLUSIONS

Unlike European economic unity, political unity on the scale that was envisioned by Jean Monnet, and which is now being touted by the EC and its Commission, will continue to be a goal that will elude the Europeans. It would be naive to conclude that political co-operation will not continue to be exercised on a bilateral or even multilateral basis, as has been done in the past. However, competing national and institutional interests coupled with the absence of a single nation capable of providing centralized leadership will be the major stumbling blocks to effective European political co-operation.

Complicating matters even further are the politically neutral and the emerging Eastern European nations that seek EC membership. Merging these nations into an apolitical economic union is feasible, but trying to develop a cohesive European political and security strategy (an external identity), taking into account diverse national interests, will be impossible. Consequently, in spite of aspirations of total unity, Europe will remain a politically fragmented continent for the foreseeable future.

This fragmentation can be overcome if European Political Co-operation takes into account the trans-Atlantic link. The perception that economic strength is in the process of replacing military strength as a natural companion of power has only served to fuel the idea that power is shifting away from NATO. This shift of power, with the EC being the beneficiary, is leading to institutional infighting at a time when Western Europe can least

afford it. The West Europeans seek stability through which to be able to manage the changes brought about by the Revolution of 1989, yet the EC overlooks the one institution that has the experience and that can work to provide stability: NATO. In essence, stability can be achieved only by continuing to ensure that the European Political Co-operation process is accomplished in concert with NATO.

CHAPTER IV.

THE FUTURE OF NATO IN THE 1990s

The rapid changes that have taken place in Eastern Europe impacted NATO directly and have brought into question the future need for the Atlantic alliance. These changes have directly contributed to the perception that the Soviet Union no longer poses a direct military threat to Western Europe and have served to accelerate the process of attrition that has been going on within NATO for several years. The anticipation of the economic benefits that the 1992 Single Market Plan will bring to Western Europe, along with arms control and conventional force reduction negotiations and "Gorbamania" have given the European allies the excuse they needed to all but stop any serious efforts to improve their armaments. Professor Joseph Nye best summarized the potential impact of "Gorbamania" when he wrote: "Gorbachev's honey may prove a more powerful solvent of NATO unity than Andrei Gromyko's vinegar."³⁸ "Gorbamania" may have attributed to NATO's attrition, but a more recent example of the attrition process is the May 1989 debate regarding the Lance missile and the subsequent decision not to modernize the weapon system. Armaments is not the only area where attrition has taken its toll. The Alliance members

³⁸ Joseph S. Nye, Jr., Bound To Lead - The Changing Nature Of American Power (New York: Basic Books, 1990) 247.

have also failed to maintain their defense spending at 3% of the GNP, a figure based on a longstanding agreement. Individual Alliance members' defense budgets range from a high of approximately 7% to a low of approximately 1% of their respective GNP -- not at all in line with the agreement.³⁹

The attrition that is taking place within NATO raises several questions:

- ° Do the Europeans want NATO to continue to exist as an alliance?
- ° How does one convince Europeans, looking inward and at a European Political Cooperation process, to broaden their horizons? True European stability can be attained only by including the United States.
- ° What is the US position regarding the future of NATO?
- ° How does one convince Americans that, despite its superpower status, the United States can no longer be "first among equals" in a politically oriented NATO?

NATO'S HISTORIC SECURITY STRATEGY QUESTIONED

Over a period of 40 years, the West European Alliance members developed a security strategy that depended on being able to operate from a position based on Europe's own economic and political strength and on military strength borrowed from the United States. Being able to execute this strategy within the

³⁹ General Wolfgang Altenburg, "Arms Control and the Future," NATO Review Vol. 37, No. 4 (Aug. 1989): 3.

context of the NATO alliance served them well, since the Allies were able to maintain a degree of anonymity in the Alliance's dealings with the Warsaw Pact and the Soviet Union, giving the Allies the freedom to pursue their own political and economic goals. This arrangement allowed the Allies to reap a double benefit. First, they had the protection of NATO, albeit at a cost: having foreign troops based on their own soil, having to maintain a standing military force, and having to accept American leadership in East-West affairs. Second, the pursuit of this strategy gave them the freedom to focus on a more promising policy, that of economic relations with the East.

The West Europeans are now caught in a quandary. Western Europe sees that the Warsaw Pact alliance is slowly disintegrating and perceives that the Soviets no longer pose a direct threat to their national security interests. Conversely, they are not sure how long it will take for the transformation process that is presently going on in the East to be completed or what will be the final outcome of this transformation process. They are also not sure if the events in the East will really change the military balance or whether the Russian Bear will surface again like the phoenix. The West Europeans are also concerned in case the Alliance should dissolve prematurely: Which nation would then provide the leadership and the military strength needed to manage the changes in the East and the spill-over effects these changes might have within Western Europe?

German Unification: A Major Issue for NATO

The retention of a Germany aligned to the West remains a key element to the cohesiveness of effort that the Bush administration is trying to achieve. The Modrow proposals for unification, and in particular the precondition that a unified Germany must be militarily neutral, added another dimension to the NATO question. On 31 January 1990, West German Foreign Minister Hans-Dietrich Genscher suggested that both NATO and Soviet forces could remain in place for a period of time after Germany is united.⁴⁰ This proposal was made not only to counter the neutrality of the Modrow plan, but to also buy time. A unified Germany's future alliance is a thorny problem. Retention of the military status quo, as Genscher proposed, buys the time that is needed for Bonn, the US, and NATO to develop a formula acceptable to the Soviets for keeping a unified Germany aligned to the West.

The second phase of the two-phased Ottawa agreement is not only a compromise agreement but also a reflection of the problem that German unification poses to everyone in both the East and the West bloc. The future alliance of a unified Germany is crucial, a matter that must be resolved with the utmost care. On its solution rests the future of NATO and the future of US involvement in Europe, the future course of European integration and with it the future of the EC, and the total balance of relations between the East and the West.

⁴⁰ T.L. Friedman, "Baker and West German Envoy Discuss Reunification Issues", New York Times 3 Feb. 1989: 8.

The changes that are taking place throughout Europe have outraced the ability of governments and diplomats to manage them effectively. Too much has happened too quickly. The Ottawa agreement gave everyone the opportunity to temporarily postpone negotiating the problem of Germany's alliance until such time as governments and diplomats were able to regain a semblance of control over the events that are changing the face of Europe and the relations between the two superpowers.

Adhering to reality, both the US and the Soviet Union compromised their original positions.

The US compromised the position that the Bush administration had established. President Bush had made it clear at the December 1989 NATO Summit meeting that unification must come about gradually and that a unified Germany remains tied to NATO and the EC. Now Washington has agreed to a unification process that will take place using the Ottawa "2+4" formula, a formula that does not guarantee that a unified Germany will retain its ties to the West. The Bush administration accepted that it cannot stop the momentum that the idea of unification has created among the people of both Germanies, and it is better to try to gain the advantage by being supportive, rather than trying to fight the tide. This acceptance of reality does not nullify the second condition, that a unified Germany remain tied to the West. What it has done is to once again buy the time needed for the US and the West to develop a position acceptable to all parties concerned.

The Soviets modified their conditions that a unified Germany must be a neutral Germany, for basically the same reasons that the US compromised. Controlling the situation so the outcome will be to the Soviet advantage is the driving force behind the compromise. Even if the Soviets believe that a neutral Germany is the preferred option, they recognize that it is not the only option. The Ottawa agreement gives them the time they need to develop their own positions and to achieve a negotiated settlement that would permit continued Soviet involvement in Central Europe.

The European Perspective

The history of Europe has shown that the West Europeans have ample experience in organizing and administering cooperative arrangements among themselves. The most recent example is the formation of the European Community and the acceptance of the 1992 Single Market Plan. Politically, managing a military coalition is a relatively uncomplicated process in comparison with managing the intricate process of economic integration -- a process that touches almost every aspect of domestic politics.

The major European partners in the Atlantic alliance have never stopped being concerned about their own security and, in light of this concern, have developed the relative means to preserve their own security interests. But like any good businessman who prefers to invest borrowed capital in a venture when he can do so at the least cost, the West Europeans prefer to have the US, through NATO, continue to provide them with the security umbrella (nuclear and conventional) they need. This

security umbrella, though, should be provided under terms that are palatable to the West Europeans, and for as long as they deem it essential.

The French concerns regarding the future of NATO. The main French concern is to be able to maintain stability in a turbulent European environment, so that they can manage the changes that are taking place.⁴¹ This concern also extends to the possibility of the eruption of regional disputes and rivalries, not only within the East Bloc but also in the West, should NATO dissolve prematurely. They look to NATO for at least the immediate future to be the stabilizing influence during the German unification process and to prevent a new unified Germany from becoming the Mitteleuropa, dominating Western Europe and having influence in the East. The French want NATO to protect them, first from a unified Germany and second from the Soviets. What they do not want is for the US to continue to be the dominant partner in the NATO alliance; they want to have an equal voice in NATO matters, and in particular in matters that deal with the "German question." The French are concerned that the Soviets will be able to detach Germany from the Western Alliance by using their "neutrality card" in exchange for permitting German unification. This detachment could lead to the breakup of the Franco-German political and military connection, a connection the French view as an instrument for influencing German positions within the EC and NATO.

⁴¹ Fieschi interview.

France does not want to see an expanded role for the CSCE, since it believes that Soviet polarization of the CSCE into East-West blocs could drive the final wedge that would separate West Germany from the rest of Western Europe and in particular from France.⁴²

The French position regarding NATO being the forum through which the US exercises its power in Europe is well known. What is interesting and raises questions regarding the US's future role in Europe is the future role of the US in Europe if NATO is disbanded. The French concede that, for now, US involvement in Europe and NATO's continued existence are necessary, and both should continue to remain active until the East European and German situations are stabilized. But NATO is not a permanent institution. After Europe achieves stability, it would be prudent to have a European institution take over the political and security missions of NATO. A reinvigorated Western European Union along with a formalized European Political Co-operation process could readily assume the political and security missions that NATO now performs.⁴³ In this regard the French see the development of a new alliance that is managed and led by European nations and institutions, with the US being a member on an equal basis with the rest.

⁴² Fieschi interview.

⁴³ Fieschi interview

The West German view regarding future roles for NATO. The West Germans share the same perception of the Soviet threat as the French, but they look at NATO and the US role in NATO from a different perspective than their French neighbors. They are in no rush to abandon the security of NATO. It was the security that NATO provided against the Soviet threat that allowed the country to prosper, and its continued existence assures Germany's neighbors that they will not be economically and politically overwhelmed by a united Germany. In light of the effort to stabilize the GDR and the hopes that this stabilization will lead to the unification of the two Germanies, the assurances that NATO provides are one less battle that Bonn has to fight. This position may sound self-serving, but it is nothing more than a continuation of the policy established by Chancellor Adenauer in 1948, a policy of attaining German goals in concert with its Allies.

A US diplomat stationed in Bonn offered another reason why the West German government is not anxious for NATO to be dissolved. The West Germans believe that the bulk of Soviet forces will eventually be withdrawn behind the borders of the Soviet Union, but only after lengthy and protracted negotiations. Even after this withdrawal is completed, the Soviets will still have the largest standing conventional and nuclear military force on the European land mass. If NATO is disbanded or is allowed to atrophy from benign neglect, who will be able to stand up to the Soviets should they decide to flex their military muscle? Given the political, social, and economic turmoil that is presently brewing within the

USSR, this scenario is unlikely to unfold any time soon. It seems though, that the West Germans agree with the comment made by General John Galvin, Supreme Allied Commander Europe (SACEUR), when he said, "disarmament is good but vigilance is much better."⁴⁴

With regards to the role of the CSCE, the West Germans do not totally agree with the French, nor do they see how a formalized E.P.C process along with the W.E.U could supplant or replace NATO. It appears that Bonn considers the CSCE as the appropriate forum for discussing issues that impact on Europe as a whole, such as the changes that have resulted from the Revolution of 1989. The Bonn government could be accused of not practicing what it preaches since Chancellor Kohl has repeatedly stated that German unification -- a major product of the changes that have transpired in Eastern Europe -- is a question for the Germans to resolve along with the four Allied powers (2+4 formula), and not one open for discussion or vote in the CSCE forum. In spite of this claim, the unification issue will probably be discussed at the November 1990 CSCE meeting, since German unification touches the core of the political, economic, and security concerns of all 35 member-nations. It cannot but be a topic for discussion. To successfully counter any discussion of German unification within the CSCE, the West German government must be hoping that by the time the conference convenes, the March 1990 elections in the GDR will have produced a reform

⁴⁴ Galvin, John, General U.S. Army, Supreme Allied Commander Europe (SACEUR). Transcript of interview at the German/American Chamber of Commerce, Stuttgart, F.R.G., 12 December 1989.

minded government that is willing to work with Bonn, and the unification process will be well underway. If these events do occur, the two Germanies would be able to confront the CSCE as one.

Based on historical experience, the West Germans must apparently doubt that the Western European nations could muster the wherewithal to employ a formalized EPC process along with a reinvigorated W.E.U. to replace NATO. European history speaks for itself; the absence of central leadership along with the diverse interests of the member-nations will in all likelihood preclude this forum from developing and implementing common political and security policy. For now, NATO is still the only organization that can muster a consensus and provide the leadership to manage East-West relations.

A European consensus. The consensus among the European allies is that NATO as an institution will have to change since the perception of the threat has changed both quantitatively and qualitatively. The European Allies find it psychologically impossible to accept NATO remaining as is, even though it is the forum that has the most experience in dealing with East-West and West-West political and security concerns.

THE US POSITION

The United States acknowledges the European concerns regarding the long-term future of NATO. However, the immediate goal of the US is to strive to maintain a cohesiveness and a continuity of

mission for NATO at least until the conventional force reduction negotiations are completed and the treaty provisions implemented. The Bush administration feels very strongly that only a unified NATO can manage the changes that are taking place in Europe and provide the security means necessary should these changes take a turn for the worse.

THE BAKER PROPOSALS FOR REVITALIZING NATO

Even before the Ottawa agreement, the Bush administration was trying to develop a formula for the continued existence of NATO that would be acceptable to the Allies. The European consensus of opinion was acknowledged by the Bush administration in the proposals presented by Secretary of State Baker pertaining to NATO on 12 December 1989.⁴⁵ This acknowledgement also clearly indicated that the US was not about to abandon its interests in Europe.

The proposals were meant to change the focus of NATO from an alliance whose principal mission was containment of the Soviets and the Warsaw Pact to an alliance whose mission reflects the realities of the changing European environment, with a continued US presence. Baker proposed that

- ° NATO enhance its political role.
- ° NATO establish an Arms Control Verification staff to assist member governments in monitoring compliance with arms control and confidence building measures, in conjunction with the W.E.U.

⁴⁵ Baker.

- ° NATO intensify the consultation process for matters dealing with regional conflicts, conflicts that are outside the traditional NATO area of operations. The proliferation of missiles, nuclear, chemical, and biological weapons requires NATO to play a role in forming common positions to counter these threats.
- ° NATO consider initiatives that the West might take, through the CSCE process in particular, to build economic and political ties with the East; to promote respect for human rights; to help build democratic institutions; and to fashion, consistent with Western security interests, a more open environment for East-West trade and investment.
- ° NATO demonstrate to the East a fundamentally different approach to security.

The proposals represent a new operational dimension for NATO that will require significant amplification by the US to determine responsibilities and whether or not NATO itself will need to be restructured. These proposals warrant further analysis.

Enhancement of NATO's political mission. The initial reactions from the members of the Alliance have been mixed. The mixed reaction to Baker's proposals from the European Allies was partially based on the fact that the proposals did not offer much in the way of details and were perceived to be used as a tool to open dialogue, and not merely a US-directed action.

Overall, France and Britain welcomed Baker's scheme as a counterweight to a future unified Germany.⁴⁶ The French, however, were skeptical about NATO increasing its political role, since once again this was seen as a US attempt to maintain its dominant role in Europe. Baker did not provide any details as to what was meant by this proposal, but in his speech he quoted a line from President Bush's May 1989 NATO summit meeting speech: "The United States is and will remain a European Power."⁴⁷ The implication of this proposal is that the US wants to keep NATO alive, at least until a conventional forces reduction agreement is reached and implemented, and it serves as a notice that the US will not withdraw politically or militarily from Europe.

The question that still remains is how can NATO increase its involvement with political issues? A senior US official assigned to the Supreme Headquarters Allied Powers Europe (SHAPE) suggested that this is already being done. He stated that, unlike the EC, that is trying to speak for all of Europe, NATO is the only forum in Europe where each member-nation has a voice. It is the forum that has provided all member-nations, regardless of size, the opportunity to discuss matters of political significance and to vent their frustrations. As such, NATO can continue to provide such a forum.

⁴⁶ J. F. McAllister, "Peering into Europe's Future," Time 25 Dec. 1989: 25.

⁴⁷ Baker.

NATO may be the institution that has provided the forum for the discussion of political issues, but it does not have an enviable track record for resolving "hard" political problems. NATO has had a propensity to bury "hard" political problems in committees, where the problem is studied in depth with solutions rarely, if ever, found. If NATO intends to expand its political role it is going to have to learn to deal with the "hard" problems head-on at the highest levels, regardless of their complexity and the sensitivity of nations directly involved. This will require NATO to display initiative and to change its focus from military strategy to political strategy, which will require the support of all member-nations.

If the Bush administration is serious about this new mission for NATO, it will have to accept the fact that the US will not be the "first among equals," but will be another member concerned with European political and security matters. The Europeans doubt that this position would be acceptable to a superpower.

The verification mission. On closer examination one cannot find a direct precedent for a verification mission by an international body such as NATO. Certainly the United Nations has been sending international peacekeeping forces to areas of hostilities for years. Their goal, as their name implies, is to keep the peace and avoid the widespread fighting that led to their deployment. The UN Forces are traditionally plagued by a lack of authority to carry out their mission.

However, the envisioned role of a NATO Verification staff is quite different. In all likelihood the role of the verification staff would be akin to an on-site accountant. There are a number of intra-alliance questions that must be answered prior to NATO assuming this role. Among them are

- ° What exactly ought the verification teams to verify?
- ° Who will be the certifying official and to whom does he report his findings?
- ° What if the certification report is wrong?
- ° Which responsibilities will be national and which will belong to NATO?

Of these questions, the one that looms the largest is the last one. Secretary Baker, in the same speech in which he proposed this role, said, "Verification will remain a national responsibility." Secretary Baker's statement made it quite clear that the United States will itself conduct whatever verification it requires. It also made it clear that the United States would not accept the verification of a NATO official or another third party. If the United States is so firm on national responsibility for treaty verification, and since it is most unlikely that any international body would be able to provide acceptable verification, why did he propose this mission? If the entire responsibility for verification rests with each nation, how can NATO make an important contribution? The answer is threefold

First, NATO expertise in military affairs would assist in establishing Western positions going into the negotiations.

Second, NATO and the W.E.U. would help serve as coordinating and advisory agencies. Jointly, they would help member-governments monitor verification by creating international verification teams, assigned by a NATO Verification Directorate, with members from each interested country. This will avoid, for example, having each of the 16 NATO nations descend upon the Soviet Union independently to verify the same thing. Each team member certifies whatever his government requires to comply with whatever treaty is applicable. NATO and the W.E.U. would simply act as the administrative coordinators and technical advisors. This is not to prevent countries from joining into a collective arrangement if they desire and accepting the certification of another country. Members of the Western European Union may contend that they should play the primary role, with NATO in a support or technical role. That will not of course be satisfactory from the point of view of the United States, since the US is not a member of the W.E.U.. Jointly, the two organizations could contribute to the verification process, but independent action will lead only to more problems. NATO can play a role in the verification process by bringing to bear the expertise it has gained in dealing with East-West problems. The initial reaction of the Alliance should be to establish a temporary political and military verification staff. The political verification staff would define the role the Alliance members expect NATO to play in verification and provide the interface with the W.E.U.. The initial purpose of the military verification staff should be to recommend to the Military Committee the composition of

the verification teams and what procedures they should follow for verification. Additionally, NATO should ensure that there is a clear dialogue maintained among the various treaty negotiators to preclude any misunderstanding.

Lastly, since the Baker proposal centers on verifying conventional force reductions that are presently being negotiated with the Warsaw Pact, the fact that NATO as an institution is involved in the verification process will contribute to the confidence-building measures. NATO is an alliance that conducts its business in an open forum and under the public scrutiny of 16 national governments. Its formal participation would provide a degree of assurance that the reduction process complies with the negotiated treaty and that NATO does not pose a threat to the security interests of the Soviets or the Warsaw Pact nations.

Regional conflicts. The most difficult proposal to deal with is having NATO involved in disputes that fall outside of its charter geographic boundaries. Historically the Alliance has not been able to achieve a political consensus that would allow it to become involved in regional conflicts. The road blocks to any success in this area have been the diversity of national interests and differences among the Alliance membership.

In NATO, it has not been uncommon for two Allies to be at odds over issues of national importance. For example, the Greek-Turkish antagonisms, dating back centuries, have been an on-again, off-again issue throughout the 40 years of NATO, but have always fallen

short of outright war. The Turkish-Greek dispute over Cypress was resolved not by negotiation but by NATO's refusal to support Greece against Turkey. Additionally the so called "Cod War" in 1976 between Great Britain and Iceland over fishing rights resulted in a minor naval confrontation. This confrontation was resolved by Norwegian diplomacy, not by NATO.

Certainly resolution of disputes between allies is not a mission established by the Atlantic Charter. However, it is a logical extension of the Secretary General's Office for him to participate, if not lead, in efforts to resolve disputes between member-nations. NATO's inability to successfully arbitrate disputes, even among its own members, does not bode well for extending its arbitration to resolution of conflicts involving third parties.

As a new Europe unfolds, how is NATO going to handle regional disputes on the European continent when it has not been successful in dealing with internal problems? As the Eastern Europeans gain freedom and a voice of their own, it is clear that this new Europe will revive many of the old uncertainties. Reduced Soviet involvement in Eastern European Affairs already may have allowed latent tensions to surface. Romania's harsh treatment of Hungarians in Transylvania has forced many to flee to Hungary. Tensions mount between East Germany, Hungary, and Czechoslovakia over the issue of East German refugees. Yugoslavia and Bulgaria

experience ethnic rest.⁴⁸ This re-emergence of instability has to be a major US and European concern, but one that NATO can do very little about.

Disputes outside the NATO Treaty area are much more common, but historically NATO has been divided over whether and how to respond. For example, in the mid-1980s, four NATO allies had forces ashore in Lebanon in the pursuit of their own national interests, and not operating under the NATO umbrella. Once the forces were in place, the NATO allies cooperated and used NATO procedures on an advisory basis, but again, not under the auspices of NATO.

The Arabian Gulf, the key to petro-economics worldwide, has been ablaze for the past 10 years. The US, U.K., France, Italy, Belgium, and the Netherlands sent naval forces to the area. They operated not under NATO's flag but unilaterally.

In a final example, in the Falkland Islands War a NATO member was a principal. But NATO neither took a position nor contributed to achieving peace in the South Atlantic.

What then should be NATO's role in an out-of-area conflict? This question is becoming the subject of an increasing number of studies. Professor Joseph Coffee has proposed the Alliance become

⁴⁸ Benjamin Frankel, "New Europe Emerges Full of Old Uncertainties," On The Issues No. 81 (Washington: American Enterprise Institute for Public Policy Research, 1989).

a forum where states consult with and consider inputs from other states prior to taking action and where the general issue of "compensation" for some perceived wrong can be addressed.⁴⁹

Furthermore being a worldwide arbitrator is not what Secretary Baker proposed. He suggested that the Alliance discuss these matters in order to develop a common Western approach, even though the Europeans have already resisted this role in the past and may object to it in the future. Each NATO ally pursues its own interests in the Middle East, Africa, Asia, and South America in ways that it perceives further its own national objectives. The limits the Italians, the Greeks, and the Turks impose on the use of NATO bases by the US is but one example. The refusal of Spain and France to grant the US overflight rights for the bombing of Libya is another example. Given this, how can anyone expect to gain a consensus? A consensus can be achieved only if a regional conflict develops that poses a threat to the well being of the majority and unified action is perceived and accepted as the only means available to combat this threat.

Under such conditions, NATO could be the forum used to develop a unified action plan. Even then the Europeans may raise objection to NATO involvement, since such involvement would replicate the W.E.U.'s charter. But since the W.E.U. has not shown any success in dealing with regional conflicts, NATO is the organization that should assume such a mission. NATO has the experience in dealing

⁴⁹ Joseph I. Coffee, "Security in the Middle East: Can the Allies do it Better?" NATO Review (Belgium) October 1989.

with complex political-military issues; it counts the economic and political leadership of the West in its membership roster, as well as most of the Western ethical and moral heritage represented within its membership. Given this experience, with firm guidance from national governments, NATO could readily assume the mission of handling regional conflicts.

Fostering an open environment for trade and investment. This proposal ties the sharing of many of the important social values, such as human rights and democratic institutions, with increased trade and economic cooperation between East and West. The connection is not clear, since those principles have never been stumbling blocks for American or European business interests in the past. The issue of human rights was addressed by the CSCE, which formally announced its position in the Helsinki Accord. What NATO could do to further this principle, when only 16 of the 35 European and North American nations that are members of the CSCE are also members of NATO, is not clear.

Any attempt by NATO to become involved in the opening of economic opportunities for Eastern European nations would bring it into a headlong collision with the EC, which has an economic infrastructure and a keen interest in Eastern Europe. It is not clear why Secretary of State Baker would make such a proposal, knowing the role of both institutions; therefore, this proposal is one that will require further amplification.

A different approach to security. This proposal appears to be a passive effort, a cousin of leadership by example. Secretary Baker seems to say that if every nation behaved like the NATO countries, the world would be a much better place. While that is true, the proposal involves no active efforts to make the world a better place and, therefore, without amplification does not compare to the real possibilities of the other proposals.

PROPOSALS FOR THE LONG-TERM REJUVENATION OF NATO

NATO bashing has been a very popular sport with numerous participants on both sides of the Atlantic. But if you look at NATO within the parameters of its mission as stated in the Atlantic Charter, it has been the most successful alliance in modern history. It provided the security that Europe and the US needed to prosper, and it provided the forum for European political and security cooperation, a forum that was lacking before NATO. The internal NATO balance has shifted from military to political, and with this shift, the question is whether NATO has outlived its usefulness or still has a future.

Ambassador Rozanne Ridgway astutely pointed out that the future of NATO does not depend solely on what the US wants, but it depends primarily on what the Europeans want.⁵⁰ The interesting thing about this comment is that neither the US or the Europeans are sure just what they want NATO's future to be.

⁵⁰ Ambassador Rozanne Ridgway, Chairman of the Atlantic Council of the United States, personal interview, 5 Dec. 1989.

The Bush administration has made it clear that it is in the interest of the United States to remain a European political power, and he intends to keep America very active in European affairs. This continued involvement is assured by the simple fact that the US is a superpower. The US government may be financially in a deficit position, but no other country can match its estimated \$15-trillion economy, and its military force, both nuclear and conventional, is still one to be respected -- a fact that even the Soviets do not dispute. The US may be a superpower on a temporary downhill slope, but it remains a power to be reckoned with. So why does it need NATO? To legitimize and rationalize its involvement in Europe? Probably not. But as a matter of postwar policy, the US has preferred to deal within a partnership arrangement, rather than flexing its superpower muscle on its own.

The US may want NATO to remain as an institution, but the real future of NATO hinges on the outcome of the second phase of the Ottawa agreement. Based on the conventional force reduction negotiations presently underway, and until such time as a treaty is concluded, the negotiations would have to consider a near-term and a long-term solution, both of which would have an impact on NATO.

The Genscher proposal to have both US and Soviet forces remain in place, even after German unification is achieved, is the one most likely to be accepted by all parties, at least for the next five years. Although there is no historical precedence, and it seems incredible that one nation will serve as a "host" to the forces of two separate military alliances, the proposal does give

both sides the time either to completely disengage or to find an alternate solution. The problems that stem from this proposal are fourfold.

First, it will be difficult if not impossible for the German people to accept the continued presence of either US or Soviet forces in their country. They will not only question the need but also demand the immediate removal of all foreign troops, which will lead to domestic political instability. West Germans are anxious to reap the "peace dividends" and since there is no threat, question why the inevitable must be prolonged. The East Germans view the Soviet forces as an occupying force and could not accept their presence during the building of a new unified Germany.

Second, it is more than likely that Americans will join the Germans in demanding immediate withdrawal of both US and Soviet forces. The US Congress would be hard pressed to justify continued allocation of tax dollars in support of forward deployed forces in Germany when the populace of both the US and Germany object.

Third, it would be difficult for NATO and the US to justify a prolonged presence of Soviet forces under this agreement, when the East Europeans have already declared that they want Soviet forces withdrawn from their own countries.

Lastly, what would be the reason to retain NATO as an institution if this is only a temporary arrangement and there is no direct threat? It is here that the verification mission that Baker proposed gains validity. Since both the Soviets and the US are

about to come to terms on the size of their respective forces in Germany, NATO could be the agency that verifies that the floors are met and maintained.

When looking at any long-term solution, another factor that must be considered is the desire of the Europeans. From the European standpoint, NATO has been first and foremost an institution designed to defend Europe against the Soviet threat. The reduction of this threat has created the opinion that US military presence in Europe is no longer needed. Another opinion claims that US military presence in NATO Europe will no longer be directed against a specific Soviet threat as it has been in the past, but will be directed against the geographic advantage the Soviets enjoy. Both France and Germany share this second opinion acknowledging the Soviet advantage and want the US to remain militarily committed to the defense of Europe.

German Neutrality

An agreement to neutralize a unified Germany would not only lead to the demise of NATO but would be unacceptable to West and East Europeans alike. Germany's neutrality would raise the specter of a Mitteleuropa, a Europe dominated by Germany. Like their West European counterparts, the Poles and the Hungarians alike, based on historical experience, have expressed their fears of a united and neutral Germany. The question that is posed is who could control this giant? Although the question arises from historical precedence, it does not presume the emergence of a Fourth Reich.

The fear of Germany's reemergence as an unconstrained military power exists, but Germany's neighbors are more afraid of being dominated by an unrestrained economic colossus, and they are concerned about the problems such unrestricted domination could pose for them all.

To mollify the fears of its neighbors, a unified Germany could follow the example of France and withdraw from the military arm of NATO while remaining politically affiliated with the Atlantic Alliance. This option would most likely satisfy the Soviets, since it would require the removal of all foreign forces from a united Germany. It would not demilitarize Germany as the Soviets want, since Germany would maintain a standing military force as a matter of course for her own security needs. It would, however, pose problems for the US. The Bush administration has stated that it would continue to maintain a military presence in Europe to guarantee a continued US role in European political affairs and as a stability measure. If this option were accepted by the US, it would mean that US forces based in Germany would have to find a new home in Europe, which is unlikely given the present mood of the Europeans. The withdrawal of US forces from Germany would render the US, and for that matter NATO, militarily impotent in Europe.

If the Europeans, in particular the French, are so concerned about a forced withdrawal of US forces imposed by either German neutrality or other aspects of German unification, then maybe the time has come for the French to take the initiative. To prevent the total withdrawal of US forces from Central Europe, France

should consider rejoining the military arm of NATO and agree to the establishment of US bases on French soil. In return, the US could agree to a Frenchman or any other European officer to be appointed to the post of NATO's Supreme Allied Commander (SACEUR). This formula would probably eliminate any Soviet objection regarding the retention of US forces in a unified Germany. Granted, this option may very well be politically unacceptable to the French government at the moment, but it is one that satisfies French and Allied concerns regarding a US military withdrawal.

The 1990s

For the next eight to ten years at least, NATO's continued existence will serve everyone's needs, in particular those of the European Alliance members. NATO's continued service will provide the stability both the US and the Europeans desire in managing the turbulent changes occurring in Eastern Europe, the process of German unification, and the reduction of conventional military forces.

A Forum for Future Political Cooperation

The Bush administration insists that the US will remain politically active in European political affairs. The European Community, on the other hand, is trying to formalize the European Political Cooperation process, which will probably exclude the US from its deliberations as a formal body.

Instead of attempting to formalize the European Political Co-operation process, which would all but exclude a key member of the trans-Atlantic alliance, Western Europe should look to use NATO to perform this mission. If the intent is to maintain a "brotherhood" of western nations that share a common history and have common political, economic, and social values even though separated by an ocean, then they each owe it to one another to change NATO's direction. The change in direction would make NATO a political alliance that is also concerned with security matters, rather than purely a defensive alliance. To this extent the Baker proposal hit the mark. The question is how to convince the European nations, which have vested political and economic interests in a formalized EPC process, to expand their horizons. If the West European concern about maintaining stability is valid, then they must realize that stability can be attained only by including the US in its political deliberations.

Conversely, how do you convince the US that in spite of its superpower status, it can no longer be the "first among equals" in a NATO that is politically oriented. The European allies have continuously expressed the need for a greater voice in NATO matters. The US must concede to this desire. By sharing the leadership responsibility, NATO can provide the stability that the Europeans desire and still permit the US to remain politically active in Europe. As Europe stabilizes and the provisions of any conventional force reduction treaty are implemented, NATO's

political role would be one that increasingly deals more and more with West-West relations, not only as they pertain to East-West matters but also to regional problems that impact the Alliance.

NATO, despite its present shortcomings, is the organization that has the infrastructure and procedures already in place to deal with common political issues, and with some fine-tuning could accomplish an expanded political mission.

NATO and the European Community.

The emergence of the European Community brought with it the perception that the EC would become the "second pillar" of NATO, a perception that has been categorically rejected by the EC Commission. As discussed in chapter 3, it is generally perceived that the EC Commission views NATO as a dinosaur, an institution that is bound to become extinct. It is unfortunate that such a divergent view exists, since both organizations can become complementary to each other to the benefit of both the Europeans and the United States.

As has been previously pointed out, political, economic, and security issues have become interwoven to the point that they can no longer be treated as separate and distinct matters. NATO and the EC working together would form a formidable partnership in resolving not only the problems that impact trans-Atlantic cooperation, but also matters that deal with regional problems and East-West relations.

The degree to which this cooperation could become possible would depend on several factors.

First is how the Europeans view their chances of ever achieving total unity. If circumstances become such that attainment of this goal is almost impossible, they would probably support this cooperation.

Second is how and under what terms German unity is accomplished. If a unified Germany posed the threat of developing into a Mitteleuropa, the best way to contain this threat would be through trans-Atlantic collaboration.

Third is how the EC members view US participation within the new NATO. If this cooperative effort is viewed as a means for the US to extend its influence to internal EC affairs, they would object to it. If it was seen as a means to cope with problems that are external to the EC but internal to NATO, the inclination would be to encourage collaboration.

Fourth is how the EC deals with neutral nations that are vying for EC membership. If the "concentric circle" theory is applied, then the neutrals could participate in the political debates if this participation were perceived to be beneficial to their own national interests.

Lastly it would also depend on how this collaborative effort is seen by the Soviets. If it is seen as a threat to their own vital interests or as means to usurp the CSCE where they have membership, they would vehemently object.

There is no guarantee that NATO will survive to celebrate its 50th anniversary, since its longevity depends as much on the US as on European member-nations to provide the impetus to continue this alliance and to determine what missions this future alliance should accomplish. If the collective will exists to continue the alliance, NATO's future lies in changing its direction by expanding its political role and interest in security, rather than limiting itself to being a purely defensive alliance.

CONCLUSIONS

NATO will not disappear rapidly. At most it will fade away slowly, and that will happen only if another institution assumes the NATO mission. The immediate prospect of another institution assuming this mission is out of the question. The European Community's membership is too fragmented to take on this role, and its own institution, the EC Commission, is too preoccupied with implementing the 1992 Single Market Plan to even consider assuming the management of European political and security affairs. In spite of European aspirations to manage affairs on their own, the reality is that they still need US participation in European political and security affairs. The forum that provides the US a legitimate means to be an active participant in Europe is NATO. Consequently, in order to keep the US actively involved, NATO will evolve into a forum whose focus is less defensive and more political cooperation.

The single issue that will have the greatest impact on the future of NATO is how a unified Germany will fit into the Alliance. The pragmatic proposal to keep Germany in NATO with NATO Forces deployed only in what was formerly West Germany has appeal in the West, but will be a tough sell in Moscow. It is difficult to imagine a neutral German state without foreign troops stationed within her borders. Ultimately the reunification approval is in the hands of the two Germanies and the four Allied powers of World War II. The two nations may pursue economic and social unification, but until a unified Germany's role in the Alliance is resolved, it is unlikely that the Allied powers will approve the final political unification of the two countries.

Of the five proposals made by Secretary of State Baker to rejuvenate NATO, three are likely to be fruitful in the near future: the enhancement of NATO's political mission, the treaty verification role, and the proposal to foster an open environment for trade and investment (especially in Eastern Europe). The proposal for NATO to become involved in resolving regional conflicts, although it may be adapted, has less of a chance of success due to the difficulty the Alliance will have in achieving the necessary mandate from the members for a given course of action. The proposal to show the East a different approach to security is too vague to assess.

NATO is critical to American participation in European matters at all levels: security, political, and economic. It is in the vital interest of the United States that we ensure the Alliance's

well being into the next century. Secretary Baker's proposals need to be developed and negotiated in the Atlantic Council. Only the United States can take the lead in these discussions, and it is critical that we get on with it.

CHAPTER V.

THE UNITED STATES' ROLE IN EUROPE

"When the ice breaks up,
it can be very dangerous."
Prime Minister Thatcher

Like ice on a frozen river, the comfortable cold war structure that pitted East against West is breaking up. This structure was marked by the formation of alliances to which European nations willingly or otherwise pledged their allegiance, and through which the United States became one of the major players on the European stage. The changes that are transpiring in Europe, coupled with the emergence of European institutions such as the EC, have affected the way the Europeans view the US and its future role in Europe. In spite of President Bush's categorical statement that "The US will remain a European power. That means the US will stay engaged in the future of Europe and in our common defense,"⁵¹ the dramatic events of 1989 and 1990 are also changing America's own perception of its future role in Europe.

American involvement in Europe has been costly. The nuclear and conventional defense umbrella that the US has provided Western Europe resulted in defense expenditures that most recently ranged

⁵¹ "Allies praise Bush's stance on NATO," Boston Globe 5 Dec. 1989: 16.

from 6.5% of the G.N.P. in 1986 to an estimated 5.5% in 1990.⁵² One argument has it that the high share of the US economy dedicated to defense is the cost that must be accepted and paid for US security in a global context. While that may be true, the bulk of the defense budget has gone into preparing US forces to protect Europe and US interests there. Americans, seeing the economic prosperity that Western Europeans are enjoying, question the need for a continued US involvement in Europe and are in a rush to enjoy the "peace dividends" that a reduced Soviet threat can provide.

The drive to achieve the "peace dividends" is becoming a popular political theme on both sides of the Atlantic. The problem is that to achieve the "peace dividends," and with them the prospect of renewed economic prosperity, the US must remain involved militarily in Europe to ensure American political, economic, and security interests are protected and promoted.

President Bush's declaration of intent to remain involved in Europe served to provide the broad guidance that policy makers need to execute policy designed to promote and protect American interests. But in this case, a declaration of intent is considerably easier than translating it into action. The question is to determine how this intent can be realized and what hindrances there are to US involvement in Europe.

⁵² R. Hornick, "The Peace Dividend: Myth and Reality," Time 12 Feb. 1990: 22.

THE RELATIONSHIP BETWEEN THE US AND THE EC

As a matter of longstanding policy, the US has favored increased European integration. The potential benefits an integrated Europe could provide to the US are numerous, with the potential expansion of trade and investment opportunities considered to be the principal economic benefits. In addition, the EC provides the US with a powerful partner that can provide increased assistance in the development of Eastern Europe and the Third World, thereby promoting global stability. The economic aid programs designed to assist Eastern Europe, managed by the EC and incorporating American support, are examples of this cooperation.

The US recognizes that the EC has the potential to become the world's most influential economic union. An example of this is the comparison of the combined G.N.P. of the 12 EC member-states against the G.N.P. of the US. In 1988 the combined G.N.P. of the EC was approximately \$4.5 trillion as compared to the US G.N.P. of approximately \$4.8 trillion.⁵³ Over the years, the two economies have become interwoven to a remarkable degree, with multinational corporations and other business enterprises forming the weave that holds them together. In terms of trade, the EC is the US's most important trading partner, with the EC buying over \$500 billion of

⁵³ European Community News, no 1/89, 3 Feb. 89.

US goods, making it the largest buyer of US exports (approximately 24% of the total); in terms of investments, the EC accounts for 40% of US foreign investments.⁵⁴

The US and the EC have recognized the interdependence of the two economies, the potential power the 1992 Single Market Plan will give to Europe, and the impact that this will have on any future US-EC relationship. The US has also recognized that the EC is now trying to translate this economic power into political strength. Fears have been voiced in the US that this translation of power will be detrimental to US interests, since the EC may take both economic and political measures that could limit or even exclude the US from participating in the integrated market and in European political decisions that may affect the US.

A US-EC Link

To protect US interests and to preclude exclusion from the European economic market, Secretary of State Baker called for finding "a way to institutionalize the relationships that have been building up ad hoc" between the US and the EC.⁵⁵ In his speech at the Berlin Press Club, Secretary Baker also stated that the "United States seeks a European Community open to cooperation with others."

⁵⁴ C. D. Vollmer, General Dynamics Defense Initiatives Organization, "Impact Europe 92," address, CSIS Defense Industrial Base Working Group, 3 Nov. 1989.

⁵⁵ Baker.

During this same speech Baker also proposed that:

the United States and the European Community work together to achieve, whether in treaty or some other form, a significantly strengthened set of institutional and consultative links. Working from shared ideals and common values, we face a set of mutual challenges -- in economics, foreign policy, the environment, science, and a host of other fields. So it makes sense for us to seek to fashion our response together as a matter of common course.⁵⁶

Even though Baker did not provide any details as to how this link would be formed, it was a proposal that was motivated by the need to protect US interests.

But how can this link be effective? There are two possible scenarios.

The first scenario suggests that for the link to be productive, the US would have to become involved in the EC's political and economic deliberations and be permitted to voice opinions before a political or economic measure is implemented. To achieve this the US will have to be granted observer status by the EC. This status will enable the US to communicate its concerns about any EC measures before final decisions are made by the Commission. It would also allow the EC to communicate more clearly with the US, thereby minimizing conflicts where possible. The ability to express opinions and concerns prior to adoption of regulations or initiatives that affect the Atlantic trading partners could only strengthen the trans-Atlantic link. Without

⁵⁶ Baker.

this form of consultation before and during the decision-making process, the EC will develop political and economic policy that is then presented to the US as a fait accompli.

The French would undoubtedly object to this scenario, since any link that would allow the US to become either the real or the de facto thirteenth member of the EC would upset their goal of a united Europe. A linkage of this depth is not in their interests, first because the French fear that the US would overwhelm the budding European political and economic structure. Second, the French perceive the EC to be a French-led forum designed to enhance and protect European interests. US involvement in the decision-making process would deny them the leadership role and turn the EC into a US-led institution.

The EC Commission also objects to the US becoming so totally involved in what it considers to be internal European affairs. Like the French, the EC Commission does not want to allow the US to get a foot in the door, fearing that it would eventually become the dominant force. Not knowing the outcome of the German unification process adds another dimension to the EC's dilemma of how to deal with the US. If a united Germany does become the economic powerhouse feared by many, the new Germany along with the US could totally dominate the European market to the exclusion of the EC Commission if safeguards are not created. The Commission's

preference would be to increase dialogue with the US at the political and diplomatic level, rather than granting the US observer status.⁵⁷

Additionally, the EC Commission objects to an all-encompassing consultative link from a purely practical standpoint. To consult with the US every time an economic measure is considered is almost impossible. If this consultation were to take place every time a product standard was to be changed, for example, the process would bog down in negotiations and consultations without ever achieving concrete results. Consequently, the EC Commission believes that this consultative link should cover broad policy matters, rather than detailed macroeconomic ones.⁵⁸

The second scenario suggests that the link and necessary discussions be conducted at the head of state and foreign ministerial level. This is being done already as a matter of diplomatic protocol. The rotational president of the Council of Europe along with the President of the EC Commission meet with the President of the United States and his Secretary of State. The problem is that these meetings are held because of diplomatic protocol rather than for the purpose of substantive negotiations or discussions. The Commission would prefer that these meetings become formal negotiations and for the consultative link to be at this level, using these meetings to produce agreements.⁵⁹

⁵⁷ Leray interview

⁵⁸ Leray and Van Depoele interviews.

⁵⁹ Leray and Van Depoele interviews.

From the US perspective, it is important that the consultative link Baker proposed be in the form of the US having observer status within the European Parliament and within the EC Commission. Given this status, the US would be able to openly debate within the EC political and economic proposals that might be detrimental to US interests.

The openness of the EC is a primary concern to the US. The economic and eventually the political implications of the 1992 Single Market Plan for the US are extensive as it looks into the twenty-first century. The extent and vitality of the political and economic interface between US and the EC may well rest on the manner in which the EC deals with internal member-states, external European states and the US.

Missing: A Single US Spokesperson for EC Relations and a Coherent US Policy

That the US has a keen interest in the development of the EC, and in particular the 1992 Single Market Plan, is not disputed. The Baker proposal acknowledged this but fell short by not providing a blueprint of what the established link would be. Baker's words need to be followed by a concrete plan that will provide the basis for negotiating this link and enabling a clear means of interacting with the EC.

The current absence of such a blueprint strongly suggests that the US has not developed a central policy for dealing with the EC on bilateral matters, nor has the administration conceded to the need to appoint a central authority to create policy and manage the

proposed link. The US government's Interagency Task Force on EC '92 was formed to resolve departmental differences and to provide guidance to American business firms regarding the 1992 Single Market Plan. It has succeeded in the latter but has met with only limited success in its attempt to resolve departmental differences. Technology transfer is but one example of competing interests. The Department of Defense is concerned with the loss of sensitive technology and while the Department of Commerce is sympathetic, the two agencies differ in their approach to handling the problem.

The end result when a strong central arbitrator is missing can be an incoherent policy on a very major issue. The delegation of authority to one department to establish and manage a coherent US policy towards the EC is absolutely essential. Without a single manager, the US-EC link will not be productive. The Department of State has already taken the lead in this as it pertains to the foreign policy aspects. What needs to be done now is for the Department of State to tie domestic and foreign policy concerns together in order to establish and execute a single, coherent US policy towards the EC.

The Impact of Massive Political Changes in Eastern Europe

While Western Europe strives for economic and political unity and is entering into the collaborative stage of its post-World War II history, Eastern Europe is just beginning to remove the postwar shackles and is historically in the same political, economic, and security position that Western Europe was at the end of World War

II. The emergence of non-Communist governments and the drive to develop democratic institutions are welcome events, but the imbalance that exists between East and West Europe, which becomes more pronounced each day, has also created instability. The West Europeans see a reduction in the threat to their own security, and they see the changes that are occurring in the East as opportunities to help their neighbors and to expand their own political and economic influence. The East Europeans are not quite sure yet if the threat has been reduced or if it has changed directions. The Soviets remain a threat to their newly found freedom, but the East Europeans are not sure who is more dangerous: the Soviets or Western Europe. The East Europeans need the financial and technological assistance that the West can provide, but do not want to be dominated by their stronger neighbors. More than anything else they need political stability and the security that goes along with it to allow the revolutionary process to evolve peacefully. Like Western Europe, they fear the end results of German unification and look towards the United States and NATO to act as a counterbalance to what they expect to be a powerful united Germany. Both East and West Europe retain a high regard for the Soviet military machine and see a continued US presence through NATO as an important guarantee against any future Soviet threat. In spite of their fears, the Europeans (both East and West) still

do not want the US and NATO to remain indefinitely. They want both to remain at least until the end of this decade, or until stability is achieved.⁶⁰

THE US ROLE IN THE REVITALIZATION OF NATO

The immediate concerns of the Europeans fall right in line not only with the concerns of the United States, but also with America's interests in Europe. This was acknowledged by the Bush administration via the Baker proposals for a revitalized NATO, which reflected the need for the US to remain involved in European affairs and to retain NATO as a viable forum. The implementation of each of the proposals from the NATO perspective has already been discussed in chapter 4. The question here is how the United States can revitalize NATO with the co-operation of its European allies.

NATO as an Instrument of US Influence

One of the major problems in any US effort to revitalize NATO is that of perception. NATO has always been perceived by the Europeans as the Trojan horse for American influence in Europe. Although this perception is partially correct, NATO has not been the exclusive forum through which the US has exercised its influence. American influence has been exercised more through bilateral relations that have developed over the years than through unilateral muscle flexing within NATO. Regardless of what happens to NATO as an institution, this method of exercising influence will

⁶⁰ Fieschi, Leray, and Ridgway interviews.

not change anytime soon simply because the US is, and in all likelihood will remain, one of the two superpowers of the world we inhabit. Retaining NATO through a cooperative effort with the Allies will continue to provide the US another forum for remaining involved in European affairs.

Key Areas Influencing the Baker Proposals

In addition to the perception problem, five other areas must be considered that will definitely affect the NATO revitalization effort proposed by Secretary Baker.

Successful C.F.E. negotiations. The assumption is that the conventional force reduction negotiations will be successful. It has also to be assumed that there will be follow-on negotiations after an initial agreement is reached that will cover both conventional and nuclear forces. A successful agreement creates barriers to continued US involvement in Europe. If an agreement is reached and fully implemented, it will be difficult to justify the retention of forward deployed US forces and the continued existence of NATO. The US will have to convince the Europeans, and especially the American tax-payer, that US presence in Europe is necessary after the terms of the initial and follow-on C.F.E. agreements have been implemented -- a difficult task given that there is a movement in both Europe and the US to accelerate the demobilization process and to reap the "peace dividends." President Bush recognized this as a major problem, which prompted the 195,000-troop-ceiling proposal that he made in his 31 January

1990 State of the Union address. His proposal was intended not only to energize the negotiations but also to ensure a continued US presence in Europe that will not be considered as intrusive, but co-operative and mutually beneficial in nature.

What has not been addressed is how long these forces will remain in Europe. Again, if the negotiations are successful, one cannot see these forces remaining indefinitely. The Soviets have suggested that all foreign forces be withdrawn from Europe by the turn of the century. This suggestion has not been subject to deliberations as yet, but it does support the longstanding Soviet strategic objective of severing the link between Europe and the US. This is contrary to what the US and the West Europeans want, at least for now. It is probable, though, that as events develop, positions will change and that US forces will remain only as long as it takes to implement the provisions of any C.F.E. agreements.

If this assumption is correct, what happens to the Baker proposals and how does the US remain influential in Europe? Without European co-operation, it would be almost impossible to justify the continued existence of NATO beyond the end of the C.F.E. agreements implementation phase, even if the institution does change from a military alliance to a political alliance. As has been discussed in previous chapters, for now the Europeans do not want the US to leave Europe for they fear both the post-C.F.E. Soviet Union and a unified Germany. This, then, is the key to

future US involvement in Europe. Providing the security guarantees the Europeans so desperately seek will automatically require the US to remain as an element of influence in Europe. Whether or not this influence is exercised through an institution called NATO or some other form of alliance is really immaterial. The point is that the Europeans are the ones calling for the US not to abandon Europe, and this is leverage that the US should use to further promote and protect its own interests on the Continent.

Soviet compliance. It is assumed that if the conventional force reduction negotiations are successful, the Soviets will actually comply with the provisions of the agreement. If the Soviets do comply, then the points brought out in the discussion of the first assumption remain valid. If they do not comply, then US and NATO will be faced with a new set of problems. The new problems would consist of trying to maintain an equilibrium within NATO and trying to convince the American and the European electorate that the threat is still there.

America's role as the leader of NATO. Having been able to collaborate in the formation of European institutions and having tasted the strength that these institutions can provide, the Allies would be most unlikely to accept a continued dominant US role in NATO. The preference would be for an equal sharing of power without jeopardizing the defense umbrella provided by the US. This position would be acceptable if the Europeans shouldered their proportional share of the defense burden. However, since the history of this Alliance has been one where the minority (mostly

the US) picks up the largest share of the tab, this is unlikely to happen. The Americans would push for the Europeans to pay more for their own defense, while the Europeans would strive to involve European institutions in the security of the Continent. Any negotiated settlement between the Allies and the US that would create a new form of Alliance or a rejuvenation of NATO would dilute the leadership role the US has exercised; this dilution would weaken America's ability to remain an influential player in Europe. In light of the changing face of Europe, the attenuation of America's leadership in NATO may not be bad. The US could probably achieve more by working in concert with its Allies, since this would promote an interdependent relationship that is needed to manage the challenges of the 1990s.

The Warsaw Pact. The assumption must be made that the Warsaw Pact alliance will change. Like NATO, its future is uncertain. Whether it will turn into a political alliance or simply be disbanded is unknown. Evidence already exists that the Warsaw Pact as a military alliance is in the process of dying. The Czechoslovakians and the Hungarians have already requested that Soviet forces be withdrawn from their respective countries, a request that the Soviets have agreed to negotiate. Maintaining both of the alliances is important to the US and the USSR for the same and yet different reasons. From the Soviet standpoint it is important to keep the Warsaw Pact alliance intact for perception purposes. It cannot be perceived by the West that the Soviets are relinquishing control over Eastern Europe too rapidly without some

form of political, economic, and security guarantees from the West. Without these guarantees, there would be no assurance that the present Soviet policy towards Eastern Europe could survive rather than potentially being replaced by a more belligerent one that would have a negative impact on overall East-West relations.

Both the US and the Soviet Union agree that their respective alliances are the vehicles that can provide the necessary stability during this turbulent period. This position was attested to by General Moiseyev, Chief of the General Staff of the Soviet Armed Forces, during his speech at the Seminar on Military Strategies and Doctrines held in Vienna in January 1990. General Moiseyev talked of improving relations "on the basis of openness and mutual understanding," and "that through NATO and the Warsaw Pact we have the vehicle to achieve that goal."⁶¹ During the same seminar the Hungarian Chief of Staff seconded that point and added, "our viewpoint is that the two military alliances that had emerged historically in Europe are nowadays a stabilizing factor and their loosening would upset the balance and would lead to incalculable consequences."⁶²

For the immediate future at least, the continued existence of the Warsaw Pact serves the interests of the US in that it continues to bolster NATO's existence. Granted, the Warsaw Pact has lost its

⁶¹ General M. A. Moiseyev, Chief of the General Staff of the USSR Armed Forces, address, Seminar on Military Strategies and Doctrine seminar, Vienna, 16 Jan. 1990.

⁶² LTG Laszlo Borsits, Chief of the General Staff of the Republic of Hungary, address, Conference on Security and Cooperation in Europe talks, Vienna, 19 Jan. 1990.

military bite, but if it does change to a purely political alliance, this change will serve only to reinforce the need to implement the Baker proposals.

German Unification. The final issue that must be considered is German unification. How the US handles German unification will determine the future of American involvement in Europe and with it the future of NATO. If the US attempts to slow down or block the unification process, or even attempts to meddle in the internal aspects of the process, it will lose its credibility. If the US assumes a supportive stance, it will not only garner the respect of all Europeans as a nation that stands behind its ideals, but will also be in a position to help negotiate the finer details and stay involved in European affairs.

Thus far the Bush administration has been content to leave the settlement of the mechanics of internal unification to the two countries most directly involved, a policy approach that has earned many kudos. Realistically the Bush administration could not influence the internal unification process without being accused of meddling in the internal affairs of two nations, an accusation that would be detrimental to the future of the US in Europe.

Washington, however, has not let this contentment spread to the external relations of a new unified Germany. President Bush has repeatedly stated that a unified Germany must remain a part of NATO. Even though this position was not totally accepted during the Ottawa conference, it was reflected in the Genscher proposal. The Genscher proposal provided a compromise temporary solution, one

that recognized that Germany's continued affiliation with NATO would provide the counterbalance everyone was searching for. After the Ottawa conference, President Gorbachev voiced strong objections to German unification, ostensibly for historical reasons: that both world wars started in Germany. The objection was a necessary diplomatic maneuver that was prompted by both Polish and Soviet concerns over security guarantees, and was meant to reinforce the Soviet Union's continued role as the leader of the Warsaw Pact. In spite of this objection, and even though the Soviets would prefer to see a neutral Germany, they did not totally rule out accepting the Genscher proposal.

This is the minefield that the Bush administration must traverse to ensure continued American involvement in Europe. The US government has to find a way to firmly anchor a unified Germany to the Western Alliance while providing guarantees to the Soviets, and to East and West European nations alike, that Germany will not become an unwelcome, overbearing neighbor. This will be a difficult task but one which, if successful, will assure a future role for the US in Europe.

The Withdrawal Option

It is a foregone conclusion that the United States will remain politically and militarily committed in Europe at least for the next five years. What has become the main topic of discussion among academicians, analysts, and practitioners of government is what form this commitment should take and what the extent of US

involvement should be. The problem that arises is that while this is being debated, there are voices calling for the total military withdrawal of the US from Europe and for the US to turn inward to resolve its own domestic problems.

What would happen though if the US heeded the voices that are already calling for total withdrawal from Europe? A total withdrawal would in all likelihood lead to a nation that becomes concerned only with domestic matters, showing little concern for foreign issues unless they impact directly on the domestic situation. To turn inward does imply that the US would have to totally abrogate its political and security commitments in Europe. From the security perspective, in particular as it applies to conventional forces, this would require the US to convert from a nation that has practiced a policy of conventional forward deterrence to a nation that uses its conventional military strength in an expeditionary manner. This change is already being suggested in the debate that is going on regarding the future of the US armed forces. There is one school of thought that claims the US should increase its naval forces to maintain its position as a maritime power while forsaking global commitments that would require forward deployed forces. Another school is arguing that a mix of naval, air, and highly mobile ground forces is required to meet contingencies, be they in Europe or elsewhere, while leaving a residual of forward deployed forces.

The intent here is not to argue what the future force composition of the US military should be, but to point out that both arguments are advocating the US to become an expeditionary nation. A nation that practices an expeditionary philosophy reflects an isolationist policy that advocates intervention in foreign affairs only on its own terms, and only when it chooses to do so. The late 19th and early 20th century history of the US is full of examples of a country that exercised an expeditionary philosophy driven by an isolationist national policy. Even though it is also a policy that does not call for large proportion of the nation's G.N.P. to be consumed by defense, it is one that limits the exercise of political influence in the international arena. To totally withdraw from Europe would render the US powerless in its attempt to exercise any influence, be it in the political or economic arena.

The Bush administration understands this, and that is why President Bush has spoken with such finality on remaining politically, economically, and militarily committed in Europe. The administration, though, is fighting a "four-front war" in trying to translate this intent into action. On one front, it is trying to fight the battle of the budget by reducing defense expenditures, but not to the point where the US military would become the hollow shell that it was in 1970s. On the second front, the administration is going against the popular perception that exists both in the US and Europe that "peace in our time" has actually happened. Along with this, the administration is coping with the

events that are leading to a politically and economically reconfigured Europe. Finally, it faces its old nemesis, the Soviet Union. If the US withdraws from Europe, the Soviets would have achieved their established strategic objective of isolating the US from Europe. Each one of these "fronts" has its merits and the pros and cons can be endlessly debated. The bottom line however is that it is not in the interests of the US to divorce itself from Europe. Consequently, withdrawing is not an appropriate option to consider.

A Continued Presence

The West Europeans may object to the Bush administration's policy approach hinting that the US is a European power. For the most part, Western Europe does not consider the US to be a part of Europe, economically or politically, regardless of the historical commonality of civilization, culture, and ethics. If they did consider America as a European nation, they would have invited the US to join the European Community and the European Common Market a long time ago. Furthermore, as their perception of the Soviet threat declines, they consider US participation in European defense less important.

The US is confronted with a situation where its presence is wanted, but only as far as it can benefit the Europeans. The US must understand this and learn how to use its political, economic, and military strength, emphasizing trans-Atlantic interdependence as a means to promote and protect its own interests.

CONCLUSIONS

The US must lobby and negotiate for a clearly defined link with the EC. This link should be in the form of the US being granted observer status within the institutions of the EC. Unfortunately, it is unlikely that this status will be granted in the immediate future due to the European, especially the French, desire to keep America out of what they consider intra-European matters.

Since granting the US observer status does not appear to be a readily accomplishable means to link the US and the EC, the Bush administration should formally designate the Department of State as the head of the EC '92 Interagency Task Force. The Department of State would provide the leadership required to formulate and execute a coherent US policy in dealing with the European Community.

Key to the success of the revitalization of NATO is the persuasion of the Europeans that the Atlantic Alliance serves more than just US interests in Europe. NATO's retention is vital to successful C.F.E. negotiations, Soviet compliance with negotiated agreements, and for providing the counterbalance to a unified Germany.

Total US withdrawal from Europe would be a death knell for NATO. It would surely lead to an isolationist America in an era when the world's political boundaries are becoming less obtrusive. The US needs to continue participation in European matters for economic and strategic-political reasons. Although the Europeans

fully understand the stabilization benefit American presence provides, continued US presence is acceptable only as far as it can benefit them. To counter this position, the US must learn to use its political, economic, and military strength in such a way that it emphasizes trans-Atlantic interdependence. If the US can accomplish this, it will be able to remain involved in European affairs and be in a position to promote and protect American interests on the Continent.

CHAPTER VI.

CHANGE AND THE TRANS-ATLANTIC LINK

-- A SUMMARY --

...there is now an opportunity for all of us to make our world better. It takes patience, courage, vision - yes, but above all hard work and understanding first. Vision is a byproduct of all of that...⁶²

Dr. Pauli Jarvenpaa

Until now, the US and the Soviet Union have enjoyed a bipolar world in which they were the centers of power. Bipolarism as we have known it for the last 45 years is on the verge of becoming extinct. With the 1992 Single Market Plan about to become reality and with a greater emphasis on European political co-operation, the West Europeans no longer see themselves as a junior partners of "America, Inc." They now see themselves as equal partners capable of managing their own destiny and becoming increasingly protective of their political, economic, and security interests. Thus the changing European environment is leading to a situation where the historic poles of influence are losing their relative clarity.

⁶² Dr. Pauli O. Jarvenpaa, Special Advisor, Finnish Delegation, CSCE Negotiations, personal interview, Vienna, 19 Jan. 1990.

The European Community is posed to become an influential economic bloc. The EC is also seeking to achieve the elusive goal of a totally unified Europe -- a federated Europe that shares common political, economic, and security goals managed by a central, transnational European government.

Brussels, the seat of the EC Commission, views itself as the new political and economic capitol of Europe.

The British, opposed to the concept of a tightly knit federated Europe, see themselves as the "voice of reason" and as the link between Europe and the United States.

The French, believing that they have become a leader and an influential member of the European Community, have bumper stickers that declare "Paris Capitale de L'Europe."

German unification poses the single most difficult problem with which the Europeans must cope. Germany is not only the key to the successful implementation of the EC's 1992 Plan, but also the key to future European integration. A unified Germany that is not firmly linked to the EC is capable of becoming the dominant force both politically and economically, and this frightens its neighbors. The Germans have tried to placate this fear, but the prevailing feeling is that Bonn, although presently a center of great influence, will eventually be replaced by Berlin as the true heart of a new Germany and a new Europe.

Adding to all this is the crumbling of the Soviet empire in Eastern Europe, the dissolution of the Warsaw Pact as a military

alliance, and the emergence of Eastern European governments that are taking the first steps towards democracy and free-market economies.

Washington is still an influential member of the world community, but it is fighting the perception that it is a power in decline. The Europeans look to Washington for leadership, but not in the sense of times past. Today they look to Washington to provide a forum for a collaborative leadership where European opinions and desires are weighed and treated as equal to those of the US.

EUROPE

The European Community, the organization that has provided the greatest hope for Europe to rise above being a community of merchants, is plagued by serious differences of opinion among its members regarding fundamental organizational matters. In addition to hazards posed by the depth of this disagreement, the success or failure of the EC also hinges on the extent of Germany's participation in the organization. A German nation committed to European integration will give the EC the strength it needs to carry out its ambitious economic and political program. The problem is that West Germany is too pre-occupied with unification to be able to devote its undivided attention to European integration under the EC banner. Unfortunately for the EC, West Germany's resources and attention will in all probability be directed toward building the economy and the infrastructure of its

Teutonic brothers in East Germany, while trying to maintain the economic momentum that it has developed over the last 40 years. This effort will consume West Germany's energy for at least the remainder of this decade.

The EC is also plagued by the vision of a united Germany capable of forming a Mitteleuropa state that would become the political and economic center of Europe, with all other European nations being but satellites of Germany.

The West European yearning to become a unified political and economic entity and to be seen as masters of their own destiny has not succeeded thus far, since they have not been able to muster the collective will to achieve this goal. And it does not appear likely that they will be able to do so by the year 2000. They still look to the United States to provide political direction and security guarantees. Although continued American leadership may be unacceptable to most of the Europeans, the United States is the only country that can galvanize the fragmented European continent and provide the counterbalance to a united Germany that is sought by East and West Europeans. To keep the US actively engaged in Europe and to prevent the trans-Atlantic relationship from deteriorating to a political and economic free-for-all, the EC will have to drop its fears of America becoming the de-facto 13th member and seek means to cooperate with Washington in the political, economic, and security arenas.

THE UNITED STATES

The US may not be a European nation, but its political, economic, and military strength has given it a strong voice in European affairs. In its relationship with Europe, the US can maintain a strong position, but it will require a transformation in the way it exercises that influence. It will have to rely not only on bi-lateral relations but also increasingly on consensus building in order to achieve its goals. Former Ambassador to the United Nations, Jeane J. Kirkpatrick wrote in a recent article that:

If things develop in Eastern Europe as expected, Europeans will have new burdens to assume. Americans will have bold burdens to relinquish. We will need to learn to be a power, not a superpower. We should prepare psychologically and economically for revision to the status of a normal nation, still seeking to encourage democratic institutions, strengthen the rule of law, and advance American interests.⁶³

If the US accepts the role of a "normal nation," what will that do to its position as the leader of the free world? Is that a diminished role? Without a doubt it is a different role but not one that necessarily diminishes the strength and influence of the United States.

With an open, free-trade Europe, the definition of "superpower" versus "power" may be a game of semantics. If Ambassador Kirkpatrick's evaluation is accepted, then the US needs to understand its position as one of the "powers" of a redefined

⁶³ Jeane J. Kirkpatrick, "Beyond the Cold War," Foreign Affairs vol. 69, no. 1 (1990): 16.

Europe. If the US does become an equal partner rather than "first among equals," this does not mean a weaker US, but it certainly does mean a revised role for the US.

To promote and protect its political, economic, and security interests, the US must remain actively engaged in European affairs. However, the US is at a peculiar disadvantage. It is the most powerful and influential nation in the world, but the US government is also the largest debtor in the world and is no longer in the position to exercise its influence solely through economic assistance or threats of economic action as it has done in the past. America can no longer operate independently but must work in concert with its European allies in the exercise of political, economic, and security influence.

Interdependence with one's allies does not necessarily mean a reduction in power; it means that the US will have a redefined role as Europe continues to mature and achieve further integration. The changes that are happening throughout Europe are beneficial for the global future and reinforce one another in creating catalysts for more change. Positive American support for change is critical, since by supporting and managing the changes the US will be able to protect its own interests. Stanley Sloan wrote, "We need to ensure that US interests are served in whatever new political, economic, and security relationships emerge in Europe in the next decade. The best way to protect those interests is to be directly involved

in the political process of overcoming the division of Europe."⁶⁴ This is an accurate observation and one that can be translated into action by working with the emerging West European institutions to assist in the development of Eastern Europe, and to revitalize institutions such as NATO that will cope with the changing security environment.

NATO

The perceived reduction of the Soviet threat has threatened the very existence of NATO. To some, NATO has become an anachronism and is destined to join the dinosaur in extinction. To others, its continued existence is vital since stability can be maintained only through NATO and the US military presence that NATO provides.

The Baker proposals to rejuvenate NATO are a mix of readily accomplishable objectives and rather nebulous propositions. The proposal to get NATO involved in verification is one that should be easily accomplished. Similarly, the proposal to enhance the political role of NATO is a logical one that the US should promote at every opportunity. This proposal in particular represents the easiest way in which Americans will be able to continue to exercise influence in Europe in the long run.

On the other hand, the proposals to build economic and political ties with the East and to demonstrate a fundamentally different approach to security are lofty ideals, but suffer from

⁶⁴ Stanley Sloan, "US Must Help Reshape Europe," Defense News 27 Nov. 1989: 20.

malnutrition: there is no meat on those bones. The allies are waiting for the United States to provide amplification of these proposals and a broad concept of how they can be implemented within the NATO architecture, but that has not yet been forthcoming.

NATO will change; the Revolution of 1989 has guaranteed that. It will continue to exist as a forum at least until the end of this decade, since East and West disarmament efforts will take that long to complete and confirm. What happens to NATO beyond that is open to speculation.

CONCLUSIONS

In the course of our study of the European Community, the forces of change that will impact on the trans-Atlantic link in this decade, and the role NATO will have in this new environment, we conclude the following:

- ° European political fragmentation will be the greatest single impediment to managing the changing political and security landscape of Europe. There will be a limited degree of political co-operation between European nations, but not to the extent envisioned by France. German unification coupled with the overwhelming need to protect national interests will thwart political unification efforts. Consequently, Europe will continue to look to the United States for leadership and to maintain stability on the Continent.

- ° The European Community's 1992 Single Market Plan will succeed in degrees. The EC will not develop into a tightly knit, federated Europe led by a transnational organization as hoped for, but will become a confederation of nations that have common macroeconomic policies.
- ° Political, economic, and security considerations will compel the EC to establish formal and productive links with the United States.
- ° The United States will retain its leadership role but will find leading by consensus, versus decree, to be a much more effective technique.
- ° NATO will gradually change from a defensive to a political alliance tasked to be actively engaged in disarmament negotiations and the execution of any disarmament agreements.

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